

ORDERLY DEVELOPMENT

1. List all existing health care providers (e.g., hospitals, nursing homes, home care organizations, etc.), managed care organizations, alliances, and/or networks with which the applicant currently has or plans to have contractual and/or working relationships, e.g., transfer agreements, contractual agreements for health services.

The applicant intends to have transfer relationships with all emergency hospitals in the Tri-Cities and surrounding area, including the Johnson City Medical Center and Wellmont Urgent Care; in Kingsport: Holston Valley Medical Center and Indian Path Primary Care; in Bristol: Bristol Regional; Union County Memorial in Erwin; Laughlin Memorial in Greeneville and Hawkins County Memorial in Rogersville.

2. Describe the positive and/or negative effects of the proposal on the health care system. Please be sure to discuss any instances of duplication or competition arising from your proposal including a description of the effect the proposal will have on the utilization rates of existing providers in the service area of the project.

This project will significantly improve the lives and financial well being to those people suffering from opiate addictions that cannot or will not drive hundreds of miles for the nearest treatment. In doing so, the communities of the proposed service area will benefit from less crime, more families intact, less work truancy, and less rates of HIV and hepatitis infections.

For those patients domiciled in the proposed service area who currently travel hundreds of miles for treatment, our proposed facility will help their finances (approximately \$30 per day of treatment), allow them to spend more time with their families, seek new or better employment, and help keep them from relapsing.

Because of the epidemic levels of drug overdose deaths and prescribed pain medicine, Tennessee providers have experienced significant increases in enrollment³⁷, so this project is not expected to have any negative consequences to the current base of providers.

3. Provide the current and/or anticipated staffing pattern for all employees providing patient care for the project. This can be reported using FTEs for these positions. Additionally, please compare the clinical staff salaries in the proposal to prevailing wage patterns in the service area as published by the Tennessee Department of Labor & Workforce Development and/or other documented sources.

Our proposed facility will pay competitive wage and benefit packages for our staff. The staffing

³⁷ CDC reports overdose deaths have tripled since 1990 in <http://www.cdc.gov/homeandrecreationalsafety/rxbrief/> and Tennessee reports a 250% increase from 2001 – 2010, the percentage of people identifying prescription opioids as their primary substance of abuse increased from 5% in 1999 to 23% in 2009 in http://tn.gov/mental/policy/persc_drug_docs/Prescription%20Drug%20Use%20in%20TN_2%203%202012_R2.pdf

levels and compensation levels are shown in the table below³⁸, ranked in the order of the number of staff patient care positions. This data was aided by the Tennessee Department of Labor and Workforce Development, 2012 Occupation Wage Report for the Johnson City Healthcare Industry. The compensation figures below are in-line with the Tennessee statistics.

Position	Average number of fulltime staff, Year 1	Average number of fulltime staff, Year 2	Annual compensation Range, Entry - Senior	Tennessee Dept of Labor Range ³⁹
Substance Abuse Counselors	12	22	\$22,000 - \$30,000	\$25,661 - \$34,666
LPN Dosing Nurses	2	4	\$27,000 - \$37,000	\$27,512- \$37,268
Charge Nurse	1	1	\$45,000 - \$55,000	\$39,678- \$64,293
Charge Counselor	1	1	\$35,000 - \$40,000	\$31,651- \$34,646
Program Director	1	1	\$70,000 - \$110,000	\$78,220- \$99,889
Medical Director	Contract (part time)	Contract (part time)	\$150,000 - \$200,000	\$137,042- \$225,926

A Security Guard is currently not planned. If the need arises, this position will be hired.

All personnel will satisfy State MINIMUM PROGRAM REQUIREMENTS FOR NON-RESIDENTIAL OPIOID TREATMENT PROGRAM FACILITIES, Staff Qualifications, Rule 0940-05-42-.29

Applicant has interviewed candidates for the Medical Director and a Program Director positions. Current candidates meet certification requirements. Because of the uncertainty with respect to approval and timing, offers cannot be extended and candidates do not wish to be identified.

4. Discuss the availability of and accessibility to human resources required by the proposal, including adequate professional staff, as per the Department of Health, the Department of Mental Health and Developmental Disabilities, and/or the Division of Mental Retardation Services licensing requirements.

The applicant operates nine other facilities in four states and is aware of the difficulty of hiring in the healthcare market.

³⁸ <http://www.tn.gov/labor-wfd/wages/2012/PAGE0144.HTM>

³⁹ TN Dept of Labor & Workforce Dev, Div Emp Sec, R&S.

The applicant is aware of the licensing requirements of the State, including the staffing requirements.

Fortunately, Johnson City is home to one of the Country's best universities for nursing, medicine and social work: East Tennessee State University. In addition, the area has a vibrant medical community from which to recruit entry level and experienced professionals.

Hiring and keeping the right staff is always a challenge and the applicant is experienced and financed ready to meet the challenges.

5. Verify that the applicant has reviewed and understands all licensing certification as required by the State of Tennessee for medical/clinical staff. These include, without limitation, regulations concerning physician supervision, credentialing, admission privileges, quality assurance policies and programs, utilization review policies and programs, record keeping, and staff education.

The applicant verifies this.

6. Discuss your health care institution's participation in the training of students in the areas of medicine, nursing, social work, etc. (e.g., internships, residencies, etc.).

The applicant has significant experience working developing internships and other partnerships with local universities and professional societies. Applicant looks forward to establishing these ties with ETSU's undergraduate and graduate healthcare programs and Northeast State Community College's Social Work (A.A. Degree) program.

Internships and other partnerships must take into account the confidentiality, and sensitivity of the nature of a clinic of this type.

7. (a) Please verify, as applicable, that the applicant has reviewed and understands the licensure requirements of the Department of Health, the Department of Mental Health and Developmental Disabilities, the Division of Mental Retardation Services, and/or any applicable Medicare requirements.

The applicant verifies this.

(b) Provide the name of the entity from which the applicant has received or will receive licensure, certification, and/or accreditation.

LICENSURE: Department of Mental Health and Substance Abuse Services, Office of Licensure

CERTIFICATION: Federal Certification from U.S. Health And Human Services, Division of Substance Abuse and Mental Health Services Administration (SAMHSA)

ACCREDITATION: Commission on Accreditation of Rehabilitation Facilities (CARF)

March 25, 2013

(c) If an existing institution, please describe the current standing with any licensing, certifying, or accrediting agency. Provide a copy of the current license of the facility. 12:15pm

Not Applicable (NA).

(d) For existing licensed providers, document that all deficiencies (if any) cited in the last licensure certification and inspection have been addressed through an approved plan of correction. Please include a copy of the most recent licensure/certification inspection with an approved plan of correction.

Not Applicable (NA). Applicant was asked to provide health survey results for centers in North Carolina. Applicant is a shareholder of the company that operates these centers, but is not an officer or member of management. As such, he has no access to these records.

8. Document and explain any final orders or judgments entered in any state or country by a licensing agency or court against professional licenses held by the applicant or any entities or persons with more than a 5% ownership interest in the applicant. Such information is to be provided for licenses regardless of whether such license is currently held.

None.

9. Identify and explain any final civil or criminal judgments for fraud or theft against any person or entity with more than a 5% ownership interest in the project.

None.

10. If the proposal is approved, please discuss whether the applicant will provide the Tennessee Health Services and Development Agency and/or the reviewing agency information concerning the number of patients treated, the number and type of procedures performed, and other data as required.

Yes, subject to Federal HIPAA regulation

PROOF OF PUBLICATION

March 25, 2013

12:15pm

JOHNSON CITY PRESS

204 W. Main St., Johnson City, TN 37604

AFFIDAVIT OF PUBLICATION

AD# 1065011
 DATES: 3-6-2013

STATE OF TENNESSEE

WASHINGTON COUNTY SS

Richard Clark makes the oath that he is the Vice President of Advertising Inside Sales

of the JOHNSON CITY PRESS, a daily newspaper published in Johnson City, in said County and State, and
 that the advertisement was published in said newspaper for three (3) insertion(s) commencing on

3-6-2013 and ending on 3-6-2013

Richard Clark

Signature

Sworn to and subscribed before me this

03 07 2013

Month

Day

Year

In testimony whereof I have hereunto set my hand and seal this third day and year aforesaid.



Jan Reeser

JAN REESER

Notary Public

My commission expires: 03/02/2016

NOTIFICATION OF INTENT TO APPLY FOR A
CERTIFICATE OF NEED

This is to provide official notice to the Health Service and Development Agency and all interested parties, in accordance with T.C.A. 68-11-1601 et seq., and the Rules of the Health Service and Development Agency, that Tri-Cities Holding LLC with an ownership type of Limited Liability Company and to be managed by: Manager Steve Kester intends to file an application for a Certificate of Need Establishment of nonresidential substitution-based treatment center for opiate addiction offering methadone and buprenorphine which is designed to treat opiate addiction by preventing symptoms of withdrawal. In addition, we will offer individual counseling services and group therapy to help break the cycle of addiction and provide patients the life skills and resources to serve as productive members of their communities, families and employers. The location of the proposed project is 4 Wesley Court, Johnson City, Tennessee 37601. The project cost is estimated to be \$ 670,000.

The anticipated date of filing the application is: March 7, 2013.

The contact person for this project is Steve Kester Manager who may be reached at: Tri-Cities Holdings LLC 6555 Sugarloaf Parkway Suite 307-137 Duluth Georgia 30097 404-664-2616. Upon written request by interested parties, an local Fact-Finding public hearing shall be conducted. Written requests for hearing should be sent to:

Health Services and Development Agency
The Frost Building Third Floor
161 Rosa L. Parks Boulevard
Nashville, Tennessee 37243

The published Letter of Intent must contain the following statement pursuant to T.C.A. 68-11-1607(c)(1). (A) Any health care institution wishing to oppose a Certificate of Need application must file a written notice with the Health Services and Development Agency no later than Fifteen (15) days before the regularly scheduled Health Services and Development Agency meeting at which the application is originally scheduled; and (B) Any other person wishing to oppose the application must file written objection with the Health Services and Development Agency at or prior to the consideration of the application by the Agency.

2013 MAR 25 PM 12 07

Tennessee Code Annotated § 68-11-1609(c) provides that a Certificate of Need is valid for a period not to exceed three (3) years (for hospital projects) or two (2) years (for all other projects) from the date of its issuance and after such time shall expire; provided, that the Agency may, in granting the Certificate of Need, allow longer periods of validity for Certificates of Need for good cause shown. Subsequent to granting the Certificate of Need, the Agency may extend a Certificate of Need for a period upon application and good cause shown, accompanied by a non-refundable reasonable filing fee, as prescribed by rule. A Certificate of Need which has been extended shall expire at the end of the extended time period. The decision whether to grant such an extension is within the sole discretion of the Agency, and is not subject to review, reconsideration, or appeal.

1. Please complete the Project Completion Forecast Chart on the next page. If the project will be completed in multiple phases, please identify the anticipated completion date for each phase.
2. If the response to the preceding question *indicates that the applicant does not anticipate completing the project within the period of validity as defined in the preceding paragraph*, please state below any request for an extended schedule and document the "good cause" for such an extension.

PROJECT COMPLETION FORECAST CHART

March 25, 2013

12:15pm

Enter the Agency projected Initial Decision date, as published in the C.A. § 68-11-1609(c): PA 12 07 6/13
 2013 March 25

Assuming the CON approval becomes the final agency action on that date; indicate the number of days from the above agency decision date to each phase of the completion forecast.

<u>Phase</u>	<u>DAYS REQUIRED</u>	<u>Anticipated Date (MONTH/YEAR)</u>
1. <u>Architectural and engineering contract signed</u>	0	6/13
2. <u>Construction documents approved by the Tennessee Department of Health</u>	60	8/13
3. <u>Construction contract signed</u>	10	6/13
4. <u>Building permit secured</u>	15	6/13
5. <u>Site preparation completed</u>	N/A	N/A
6. <u>Building construction commenced</u>	20	7/13
7. <u>Construction 40% complete</u>	50	9/13
8. <u>Construction 80% complete</u>	70	10/13
9. <u>Construction 100% complete (approved for occupancy)</u>	90	11/13
10. <u>*Issuance of license</u>	150	1/14
11. <u>*Initiation of service</u>	180	2/14
12. <u>Final Architectural Certification of Payment</u>	210	3/14
13. <u>Final Project Report Form (HF0055)</u>	270	5/14

* For projects that do NOT involve construction or renovation: Please complete items 10 and 11 only.

Note: If litigation occurs, the completion forecast will be adjusted at the time of the final determination to reflect the actual issue date.

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ATTACHMENTS

Applicant Ownership Structure Attachment A.4.

Information for Section A, Item 4: Tri-Cities Holdings Ownership

Name	Title	Membership Interest	Address
Steven W. Kester	Manager	50%	2892 Darlington Run Duluth, GA 30097
Leigh B. Dunlap	Member	50%	801 West Conway Drive NW, Atlanta, Georgia 30327

Attachment A-5

Management Biographies and Affiliations

Tri-Cities Holdings, LLC is owned equally between Steven W. Kester and Leigh B. Dunlap.

Steve Kester is 49 years old and a unit holder of Tri-Cities Holdings, and serves as the company's Chief Executive Officer.

Mr. Kester was the co-founder of Treatment Centers HoldCo, doing business as Crossroads Treatment Centers. He is currently a minority shareholder of Treatment Centers HoldCo and not active in the management of the company. The company operates 9 centers in the following states and cities: North Carolina: Asheville, Weaverville, and Greensboro; South Carolina: Greenville, Columbia and Seneca; Georgia: Ringgold and Suwanee; and Virginia: Danville.

Mr. Kester has spent his career building companies in healthcare, service industries, and consumer products.

Mr. Kester holds an MBA from the Wharton School and an Electrical Engineering Degree from Georgia Tech.

Mr. Kester is married with three children.

* * *

Leigh B. Dunlap attended the University of Southern California (1983-1987).

She has resided in Georgia for the past twenty years.

She is a professional screenplay writer.

She now serves in a volunteer position as president of the Georgia environmental non-profit advocacy group, Clean Earth Now, Inc.

Leigh B. Dunlap is a unit holder of Tri-Cities Holdings LLC and occupies no management position in the company.

**ATTACHMENT B I.
SUPPLEMENTAL QUESTIONS
AND RESPONSES**

Please clarify if Buprenorphine or Methadone will be prescribed for pain management, by a mid-level practitioners, or for the treatment of depression.

No. Our proposed services are for the exclusive treatment of opioid addiction.

What is the difference between Buprenorphine and Methadone in the treatment of opioid addiction? In your response, please discuss the method of administration, frequency, side effects, cost, etc.

The Drug Addiction Treatment Act (DATA) of 2000 allows qualified physicians who obtain a waiver from the federal government to prescribe and dispense two formulations of buprenorphine (subutex and suboxone) to treat opiate addiction. The SAMSHA (Substance Abuse and Mental Health Services Administration) Buprenorphine Physician and Treatment Program Locator web-site list thirty-two (32) physicians that are certified to dispense Buprenorphine in Johnson City, TN. Please discuss the waiver in terms of the training required by private physicians and facilities, the maximum caseloads, etc. In your response, please discuss if these physicians accept cash only from patients (including TennCare patients).

Methadone maintenance treatment (MMT) is the most common and established form of opioid addiction treatment. It was developed in 1964 and has been used continuously since in the United States. In October 2002, the Food and Drug Administration (FDA) approved buprenorphine monotherapy product, Subutex®, and a buprenorphine/naloxone combination product, Suboxone®, for use in opioid addiction treatment. Still, other practitioners believe in abstinence-based treatment.

We believe the answer is that there is no single approach or medication that is right for everybody.

Opioid addiction medications and treatment continue to evolve. Our proposed services will include methadone, buprenorphine, and abstinence-based services. As new medications and treatment approaches come on the market, we will evaluate them. All patients are unique and different medications (or lack thereof) will be evaluated and customized care plans will be developed for each patient. Our pledge is to provide the best option for patients.

The biggest difference between the two is that buprenorphine is a *partial opiate agonist* (i.e. its effects are limited even when taken in large doses) but methadone is a full opiate agonist. The general (not absolute) implications of this are the following:

- Buprenorphine is harder to abuse so patients are more often allowed to take it home. Methadone can be more easily abused, so when patients first start treatment they need to travel to a clinic each day to take their medication. At

later stages of the treatment they are allowed take-home doses of methadone.

- For people with heavy opiate habits and serious addiction, buprenorphine cannot provide effective relief from withdrawal symptoms. Methadone works better for such individuals.
- Buprenorphine is generally less addictive than methadone.
- Withdrawal symptoms of a buprenorphine detox are generally less severe than methadone detox.
- The risk of a fatal overdose on buprenorphine is less than with methadone.

The Drug Addiction Treatment Act of 2000 (DATA 2000)

This act enables *qualifying physicians* to receive a *waiver* from the special registration requirements in the Controlled Substances Act for the provision of medication-assisted opioid therapy. This waiver allows qualifying physicians to practice medication-assisted opioid addiction therapy with Schedule III, IV, or V narcotic medications specifically approved by the **Food and Drug Administration (FDA)**. On October 8, 2002 Subutex® (buprenorphine hydrochloride) and Suboxone® tablets (buprenorphine hydrochloride and naloxone hydrochloride) received FDA approval for the treatment of opioid addiction.

To receive a waiver to practice opioid addiction therapy with approved Schedule III, IV, or V narcotics a physician must notify the **Center for Substance Abuse Treatment (CSAT, a component of the Substance Abuse and Mental Health Services Administration)** of his or her intent to begin dispensing or prescribing this treatment. This Notification of Intent must be submitted to CSAT before the initial dispensing or prescribing of opioid therapy. The "waiver notification" section on this Site provides information on how to obtain and submit a Notification of Intent form. The Notification of Intent can be submitted on-line from this Web site, or via ground mail or fax.

The Notification of Intent must contain information on the physician's qualifying credentials (as defined below) and additional certifications including that the physician has the capacity to refer such addiction therapy patients for appropriate counseling and other non-pharmacologic therapies, and that the physician will not have more than 30 patients on such addiction therapy at any one time for the first year. (Note: The 30-patient limit is not affected by the number of a physician's practice locations. One year after the date on which the physician submitted the initial notification, the physician will be able to submit a second notification stating the need and intent to treat up to 100 patients.)

The Drug Enforcement Administration (DEA)

The Drug Enforcement Administration (DEA) assigns the physician a special identification number. DEA regulations require this ID number to be included on all buprenorphine prescriptions for opioid addiction therapy, along with the physician's regular DEA registration number.

To qualify for a waiver under DATA 2000 a licensed physician (MD or DO) must meet any one or more of the following criteria:

- The physician holds a subspecialty board certification in addiction psychiatry from the American Board of Medical Specialties.
- The physician holds an addiction certification from the American Society of Addiction Medicine.
- The physician holds a subspecialty board certification in addiction medicine from the American Osteopathic Association.
- The physician has, with respect to the treatment and management of opioid-addicted patients, completed not less than eight hours of training (through classroom situations, seminars at professional society meetings, electronic communications, or otherwise) that is provided by the American Society of Addiction Medicine, the American Academy of Addiction Psychiatry, the American Medical Association, the American Osteopathic Association, the American Psychiatric Association, or any other organization that the Secretary determines is appropriate for purposes of this subclause.
- The physician has participated as an investigator in one or more clinical trials leading to the approval of a narcotic drug in schedule III, IV, or V for maintenance or detoxification treatment, as demonstrated by a statement submitted to the Secretary by the sponsor of such approved drug.
- The physician has such other training or experience as the State medical licensing board (of the State in which the physician will provide maintenance or detoxification treatment) considers to demonstrate the ability of the physician to treat and manage opioid-addicted patients.
- The physician has such other training or experience as the Secretary considers to demonstrate the ability of the physician to treat and manage opioid-addicted patients. Any criteria of the Secretary under this subclause shall be established by regulation. Any such criteria are effective only for 3 years after the date on which the criteria are promulgated, but may be extended for such additional discrete 3-year periods as the Secretary considers appropriate for purposes of this subclause. Such an extension of criteria may only be effectuated through a statement published in the Federal Register by the Secretary during the 30-day period preceding the end of the 3-year period involved.

Some, but not all, of the DATA2000 private physicians accepted TennCare. Of those that did not accept TennCare, some took private insurance, and others accepted self-pay methods only.

Please explain what the controlled Substances Database is and how it relates to the proposed project.

The CSMD (Controlled Substance Monitoring Database) was created by an act of the Tennessee legislature, to be administratively attached to the Tennessee Board of Pharmacy. The state statute that covers this database and its use is TCA 53-10-Part 3, Controlled Substance Monitoring Act of 2002. The Board of Pharmacy and the CSMD Advisory Committee establish, administer, maintain and direct the functioning of the database in accordance with this Part 3.

Pharmacies within the state of Tennessee are required to upload all schedule II-V prescriptions at least twice monthly¹.

¹ <https://health.state.tn.us/boards/Controlledsubstance/index.shtml>

For this project, this database was developed to ensure that NRMTF patients are not receiving medication from multiple NRMTFs, to help eliminate the possibility of abuse/overdose of methadone and/or buprenorphine.

Please discuss alternative treatment options available in the community for opioid addiction. Please discuss the drug naltrexone for the treatment of opioid dependence. Please include in your response who can prescribe naltrexone and the oral daily form and the monthly injectable extended-released form (Vivitrol). Is Naltrexone available as treatment option in the proposed service area?

There are no NRMTFs in the proposed service area. NRMTFs are the most common and established treatment options for opioid addiction in the U.S. There are 1,076 of these centers in the United States² and 12 in Tennessee³.

The two most common alternatives to NRMTFs are buprenorphine-based treatment in private physician offices and behavioral therapies, such as abstinence-based treatment available in counseling centers. These options are generally available throughout the U.S., including Tennessee and the proposed service area.

NRMTFs are the most widely used treatment because they are the most successful and the most cost-effective when the scope of medications and services is accounted for.

It is illegal in the United States for a doctor to prescribe methadone for the purposes of treating addiction, unless he or she is working at an appropriately licensed NRMTF. Private physicians rarely offer counseling. Getting buprenorphine at a physician's office is often termed "dose and dash" because of the lack of counseling, drug testing, diversion monitoring, care planning, etc.

Abstinence-based therapies fail 92% of the time⁴ because of the intense hardship and side effects of opiate withdrawal. This is true for heroin users and many prescription pain pill users because the potency of prescription pain pills can match that of heroin. Using Morphine as the standard, the following drugs and their dosages in injection are equal to getting the same amount of pain relief as 10 mgs of Morphine injection⁵:

1.5 mg hydromorphone (Dilaudid).....= 10 mg morphine

10 mg methadone (Dolophine).....= 10 mg morphine

² <http://findtreatment.samhsa.gov/TreatmentLocator/faces/servicesSearch.jspx>

³ http://tn.gov/mental/A&D/A_D_docs/methadonelabeledclinics.pdf

⁴

http://www.kap.samhsa.gov/products/trainingcurriculums/pdfs/tip43_curriculum.pdf

⁵ <http://www.adhesions.org/forums/ADHESIONS.0002/0311.html>

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15 mg oxycodone (percocet, tylox).....= 10 mg morphine

2 mg levorphanol (Levo-Dromoran).....= 10 mg morphine

1 mg oxymorphone (Numorphan).....= 10 mg morphine

5 mg Heroin.....= 10 mg morphine

75 mg meperidine (demerol).....= 10 mg morphine

130 mg codeine.....= 10 mg morphine

25 ug/hr Fentanyl.....= 10 mg morphine

Naltrexone is a non-opioid medication that is approved for the treatment of opioid dependence. Naltrexone is an opioid receptor antagonist; it binds to opioid receptors, but instead of activating the receptors, it effectively blocks them. Through this action, it prevents opioid receptors from being activated by agonist compounds, such as heroin or prescription pain killers, and is reported to reduce craving and prevent relapse. As opposed to other medications used for opioid dependence (methadone and buprenorphine), naltrexone can be prescribed by any individual who is licensed to prescribe medicine (e.g., physician, doctor of osteopathic medicine, physician assistant, and nurse practitioner), so it is available in the proposed service area. Both the oral daily form and the monthly injectable monthly extended-release form (Vivitrol®) are FDA approved for treatment of opioid dependence. Vivitrol® was approved by FDA for this indication in 2010⁶.

In summary Naltrexone-based therapy is generally accepted for those that have overcome their addiction to opioids because it removes the reward (high) associated with opioids. However, the treatment generally does not adequately address the withdraw symptoms that addicts need.

Please discuss the percentage of patients who have become completely drug free from methadone for significant periods of time.

Patients who are most successful in medication-assisted treatment (MAT) with methadone stay in treatment for more than a year. Many patients need to continue treatment indefinitely, as is the case with any chronic medical condition.

Patients who stay in MAT with methadone for less than three months usually show little or no continued improvement. After several months in treatment, patients are stabilized on methadone. At that point, the use of illegal opioids drops by up to 80%. But leaving treatment after that carries substantial risks. Almost all patients who leave MAT and do not have further treatment of some sort eventually relapse, and risk having an overdose⁷.

⁶ <http://www.dpt.samhsa.gov/medications/naltrexone.aspx>

⁷ Brown LS, et al. the interrelationships between length of stay, methadone dosage, and age at an urban opioid treatment program. Paper presented at: CPDD (College on Problems of Drug Dependence) 65th Annual Meeting; June 2004

Please list the location of methadone anonymous meetings in the applicant's service area. Please indicate if methadone anonymous meetings are planned in the proposed project service area.

A search of <http://www.methadoneanonymous.org/> and <http://www.methadonesupport.org/> showed no locations in the proposed service area. The Applicant pledges to work with patients towards their ultimate independence from addiction and associated treatment programs, including developing and supporting groups that aid in lifetime addiction recovery. Most people who seek MMT treatment got there by abusing opiates for years. Undoing the damage and giving patients the life skills to cope is not fast and is not easy.

The applicant notes prescription medication abuse is higher in the Appalachian region than the rest of the United States. Please provide statistical information related to this statement.

An excellent article was written on this very topic: "Prescription Drug Abuse and the Pill Pipeline in Appalachia", by Dr. Robert Pack. Dr. Pack is associate professor of community health and associate dean for academic affairs at East Tennessee State University's College of Public Health in Johnson City, TN. His report also references the Appalachian Regional Commission's 2008 study of drug use in the Appalachian Region.

The report showed that the Southern Appalachian Region, which includes the proposed service area, the misuse of prescription pain pills was 6.2% versus 5.9% outside of the Appalachian Region.

What type of activities/meetings has your organization conducted to prepare and educate the public in the service area regarding this proposed application?

The Applicant has talked to approximately 50 members of the community while looking for sites that best meet the facility and community needs. These include potential landlords, realtors, brokers, neighboring businesses, etc.

The applicant has talked to, or attempted to contact all local mayors, senators, emergency room leaders, and zoning officials.

The applicant has meet with three news outlets (one news paper and 2 TV stations) and has written editorials and conducted multiple interviews.

The applicant talked at length with Dr. Robert Pack, East Tennessee State University Professor in Johnson City, TN and author of, "Prescription Drug Abuse and the *Pill Pipeline in Appalachia*"

The applicant has talked to 4 faith-based organizations, and the VFW.

What will be the scheduled hours of the proposed methadone facility?

The initial proposed hours of operations will be 5:00 AM until noon seven days per week. It is anticipated that when the facility reaches approximately 500 patients, an afternoon program will be added from noon until 5PM.

March 25, 2013**12:15pm**

In-Patient Treatment Programs

	Taking New Patients	TennCare?	Cost/Month	Counseling?	Frequency
Frontier Health/Magnolia Ridge 900 Buffalo Street Johnson City, TN 37604 www.frontierhealth.org	9-12 week waiting list.	Yes	\$6,000	Yes	\$200/Day
Comprehensive Community Services 6145 Temple Star Road Kingsport, TN 37660 ccstreatment.com	100+ waiting list/Minimum four weeks until available.	Yes	\$5,600	Yes	\$200/Day

Buprenorphine-Certified Johnson City-Based Private Physicians

Provider	Number	Accepting Patients?	TennCare?	Cost/Month	Waiting list?	Licensed counseling services?	How often must come?
Stephen R. Cirelli, M.D. Watauga Medical Care 501 East Watauga Avenue Johnson City, TN 37601	(423) 722-8446	No					
David Lionel Forester, M.D. 209 East Unaka Avenue Johnson City, TN 37601	(423) 434-4677	No					
Stephen R. Cirelli, M.D. Medical Care Clinic 105 Broyles Drive Johnson City, TN 37601	(423) 722-4000	Yes	No	\$355	No	No	Monthly
Jose L. Lopez-Romero 100 West Unaka Avenue Suite 4 Johnson City, TN 37601	(423) 928-1393	Yes	No	\$400	No	No	Monthly
Jack A. Norden, M.D. 2406 Susannah Street Johnson City, TN 37601	(423) 262-8633	No*					
Wayne P. Gilbert, M.D. Watauga Family Practice 501 East Watauga Ave. Johnson City, TN 37601	(423) 722-8446	No					
Aubrey Doyce McElroy, Jr. 3201 Bristol Highway Suite 4	(423) 262-8132	Yes	No	\$400	No	No	Monthly

Johnson City, TN 37601									12:15pm
Edward Herschel Crutchfield, M.D.	(423) 946-3199	Not a Working Line							
105 Broyles Street									
Johnson City, TN 37601									
Michael Sanders Wysor, M.D	(423) 722-4000	Yes	No	\$355	No	No	Monthly		
Medical Care Walk In Clinic									
105 Broyles Drive, Suite B									
Johnson City, TN 37601									
Matthew Morgan Gangwer, M.D	(706) 244-1390	Left Message/Not an Office/Not a Local Number (Toccoa, GA number)							
401 East Main Street									
Suite 3									
Johnson City, TN 37601									
Stephen Douglas Loyd, M.D.	(423) 631-0732	No*							
205 High Point Drive									
Johnson City, TN 37601									
Christine Anne Carrejo, M.D.	(423) 722-8446	No							
Watauga Family Practice									
501 East Watauga Avenue									
Johnson City, TN 37601									
Christine Anne Carrejo, M.D.	(423) 929-2584	No Drug Treatment Services--Referred Out to Another Doctor							
401 East Main Street									
Johnson City, TN 37601									
Laura Vanini Grobovsky, M.D	(423) 722-8446	No							
501 East Watauga Avenue									
Johnson City, TN 37601									
Martin P. Eason, M.D.	(423) 631-0432	Yes	No	\$400	No	Yes	Monthly		
3114 Browns Mill Road									
Johnson City, TN 37604									
Tracy Harrison Goen, M.D.	(423) 631-0432	Yes	No	\$400	No	Yes	Monthly		
3114 Browns Mill Road									
Johnson City, TN 37604									
Ray Wallace Mettetal, Jr., M.D	(423) 631-0432	Yes	No	\$400	No	Yes	Monthly		
4113 Browns Mill Road									
Johnson City, TN 37604									
Navneet Gupta, M.D.	(423) 232-6120	No Drug Treatment Services							
101 Med Tech Parkway									
Suite 200									
Johnson City, TN 37604									
William Alan Walker, M.D.	(423) 612-1950	No Drug Treatment Services--Referred Out to Another Doctor							
206 West Holston Avenue									
Johnson City, TN 37604									
Michael Dandridge Tino, M.D.	(423) 928-1393	Yes	No	\$400	No	No	Monthly		
Doctors Assisted Wellness									
100 West Unaka Avenue, Suite #3,4,5									

Johnson City, TN 37604								12:15pm
Edgar Alan Ongtengco, M.D.	(423) 833-5547	No Drug Treatment Services--Referred Out to Another Doctor						
2514 Wesley Street								
Suite 101								
Johnson City, TN 37604								
Robert David Reeves, M.D.	(423) 282-3379	Yes	No	\$400	No	No	Monthly	
926 West Oakland Avenue								
Suite 222								
Johnson City, TN 37604								
Jack R. Woodside, Jr., M.D.	(423) 439-6464	No Drug Treatment Services						
917 West Walnut Street								
Johnson City, TN 37604								
Hetal K. Brahmbhatt, M.D.	(423) 975-5444	Line Disconnected						
500 Longview Drive								
Johnson City, TN 37604								
John McClellan Miller, M.D.	(423) 282-5381	Closed						
811 Wedgewood Road								
Johnson City, TN 37604								
Morgan Counseling Services	(423) 833-5547	No Drug Treatment Services--Referred Out to Another Doctor						
412 West Unaka Street								
Johnson City, TN 37604								
Ralph Thomas Reach	(423) 631-0432	Yes	No	\$400	No	Yes	Monthly	
3114 Browns Mill Road								
Johnson City, TN 37604								
LeRoy Robert Osborne, D.O.	(423) 676-9015	Yes	No	\$400	No	No	Monthly	
Morgan Counseling & Accociates								
214 West Unaka Avenue								
Johnson City, TN 37604								
James Wesley Denham, M.D.	(901) 210-5079	No*						
1747 Skyline Drive								
Unit 25								
Johnson City, TN 37604								
William Edward Kyle, D.O.	(423) 631-0272	Yes	No	\$400	No	Yes	Monthly	
3114 Brownsmill Road								
Johnson City, TN 37604								
Jason John Della Vecchia, M.D.	(423) 232-5295	Yes	No	\$400	No	Yes	Monthly	
Better Body Medicine								
600 North State Of Franklin Road								
Johnson City, TN 37604								
Chambless Rand Johnston III, M.D.	(423) 232-5295	Yes	No	\$400	No	Yes	Monthly	
600 North State of Franklin Road								
Suite 5								
Johnson City, TN 37604								

Attachment B1 - Physicians Certified for Buprenorphine Treatment in proposed service area

First Name	Last Name	Suffix	Address Line 1	Address Line2	City	State	Zip Code	Phone
Charles	Fulton	M.D.	Charles A. Fulton MD	3763 Highway 11 West	Blountville	TN	37617	(423) 279-3860
Mack	Hicks	M.D.	3763 Highway 11W		Blountville	TN	37617	(423) 279-3860
Kevin	Catney	M.D.	Recovery Associates	1627 Highway 11 West	Bristol	TN	37620	(423) 274-0100
John	Barrowclough	M.D.	Appalachian Recovery Care, PLLC	2726 West State Street	Bristol	TN	37620	(423) 758-6744
Michael	Lady		Pathway Medical Group	113 Landmark Lane, Suite A	Bristol	TN	37620	(423) 573-7284
Shawn	Nelson	M.D.	3183 West State Street	Suite 1201	Bristol	TN	37620	(423) 764-0987
Matthew	Gangwer	M.D.	1895 Highway 126		Bristol	TN	37620	(423) 232-0222
Stephen	Wayne	M.D.	3183 West State Street	Suite 1201	Bristol	TN	37620	(423) 764-0987
Joseph	Radawi	M.D.	Appalachian Recovery Care, PLLC	2726 West State Street	Bristol	TN	37620	(423) 758-6744
Marianne	Filka	M.D.	Pathway Medical Group	113 Landmark Lane, Suite A	Bristol	TN	37620	(423) 573-7284
Gary	Neal	M.D.	260 Midway Medical Park	Suite 2G	Bristol	TN	37620	(423) 968-4444
John	Bandeian	M.D.	3169 West State Street		Bristol	TN	37620	(423) 968-3891
Charles	Wagner	M.D.	337 Bluff City Highway	Bradley Building Ste 101	Bristol	TN	37620	(423) 956-5028
Borzou	Azima	M.D.	1627 Highway 11 W		Bristol	TN	37620	(423) 274-0100
Linden	Fernando		2726 West State Street		Bristol	TN	37620	(423) 758-6744
Robert	Grindstaff	M.D.	Pathway Medical Group, Inc.	113 Landmark Lane Suite A	Bristol	TN	37620	(423) 573-7284
Douglas	Williams	M.D.	HirStep	3183 West State Street, Suite 1201	Bristol	TN	37620	(423) 764-2165
Earl	Wilson	M.D.	3183 West State Street	Suite 1201	Bristol	TN	37620	(423) 764-0987
Steven	Morgan	M.D.	3183 West State Street	Suite 1201	Bristol	TN	37620	(423) 764-0987
Pyung	Suh	M.D.	1729 Lynn Garden Drive		Kingsport	TN	37660	(423) 288-0223
Dana	Brown		208 Lynn Garden Drive		Kingsport	TN	37660	(423) 247-8811
Atif	Rasheed	M.D.	1076 Rotherwood Drive		Kingsport	TN	37660	(423) 963-4955
Jonathan	Wireman	M.D.	1901 Brookside Drive	Suite 101	Kingsport	TN	37660	(866) 755-4258
Bryan	Wood	M.D.	1901 Brookside Drive	Suite 101	Kingsport	TN	37660	(866) 755-4258
John	Tasker	M.D.	1303 East Center Street		Kingsport	TN	37660	(423) 384-2820
Arthur	Boyd	M.D.	1901 Brookside Drive	Suite 101	Kingsport	TN	37660	(866) 755-4258
Peter	Bockhorst	M.D.	201 Cassel Drive		Kingsport	TN	37660	(423) 245-9600
Michael	Martin	M.D.	1936 Brookside Drive	Suite C	Kingsport	TN	37660	(423) 384-4026
Sachdev	Somiah	M.D.	1944 Brookside Drive	Suite 1	Kingsport	TN	37660	(423) 245-2406
Daniel	Dickerson	M.D.	1901 Brookside Dr. Ste 101		Kingsport	TN	37660	(866) 755-4258
Randall	Falconer	M.D.	Recovery Assist LLC	1728 North Eastman Road	Kingsport	TN	37660	(423) 765-0089
Charles	Herrin	M.D.	2300 Pavilion Drive		Kingsport	TN	37660	(423) 857-5571
Jonathan	Lewis	M.D.	4600 Fort Henry Drive		Kingsport	TN	37663	(423) 224-3950
David	Merrifield	Jr., M.D.	Family Recovery Associates	1729 Lynn Garden Drive	Kingsport	TN	37665	(423) 288-0223
Bendik	Clark	M.D.	1729 Lynn Garden Drive		Kingsport	TN	37665	(423) 288-0223
Nicholas	Smith	M.D.	124 Gray Station Road	Suite 1	Gray	TN	37615	(423) 477-0600
Bruce	Boggs	M.D.	203 Gray Commons Circle		Gray	TN	37615	(423) 477-0600
Stephen	Cirelli	M.D.	Watauga Medical Care	501 East Watauga Avenue	Johnson City	TN	37601	(423) 722-8446
Stephen	Loyd	M.D.	205 High Point Drive		Johnson City	TN	37601	(423) 631-0732
Laura	Grobovsky	M.D.	501 East Watauga Avenue		Johnson City	TN	37601	(423) 722-8446
Christine	Carrejo	M.D.	Watauga Family Practice	501 East Watauga Avenue	Johnson City	TN	37601	(423) 722-8446
Cynthia	Partain	M.D.	401 East Main Street		Johnson City	TN	37601	(423) 929-2584
Matthew	Gangwer	M.D.	401 East Main Street	Suite 3	Johnson City	TN	37601	(706) 244-1390
David	Forester	M.D.	209 East Unaka Avenue		Johnson City	TN	37601	(423) 434-4677
Michael	Wysor	M.D.	Medical Care Walk In Clinic	105 Broyles Drive, Suite B	Johnson City	TN	37601	(423) 722-4000
Stephen	Cirelli	M.D.	Medical Care Clinic	105 Broyles Drive	Johnson City	TN	37601	(423) 722-4000
Edward	Crutchfield	M.D.	105 Broyles Street		Johnson City	TN	37601	(423) 946-3199
Jose	Lopez-Romero		100 West Unaka Avenue	Suite 4	Johnson City	TN	37601	(423) 928-1393
Aubrey	McElroy	Jr.	3201 Bristol Highway	Suite 4	Johnson City	TN	37601	(423) 262-8132
Wayne	Gilbert	M.D.	Watauga Family Practice	501 East Watauga Ave.	Johnson City	TN	37601	(423) 722-8446
Jack	Norden	M.D.	2406 Susannah Street		Johnson City	TN	37601	(423) 262-8633
Martin	Eason	M.D.	3114 Browns Mill Road		Johnson City	TN	37604	(423) 631-0432

Jason	Delia Vecchia	M.D.	Better Body Medicine	600 North State Of Franklin Road	Johnson City	TN	37604	(423) 232-5295
Chambless	Johnston	III, M.D.	600 North State of Franklin Road	Suite 5	Johnson City	TN	37604	(423) 232-5295
William	Kyle	D.O.	3114 Browns Mill Road		Johnson City	TN	37604	(423) 631-0272
Tracy	Goen	M.D.	3114 Browns Mill Road		Johnson City	TN	37604	(423) 631-0432
James	Denham	M.D.	1747 Skyline Drive	Unit 25	Johnson City	TN	37604	(901) 210-5079
Ray	Mettetal	Jr., M.D.	4113 Browns Mill Road		Johnson City	TN	37604	(423) 631-0432
LeRoy	Osborne	D.O.	Morgan Counseling & Associates	214 West Unaka Avenue	Johnson City	TN	37604	(423) 676-9015
Navneet	Gupta	M.D.	101 Med Tech Parkway	Suite 200	Johnson City	TN	37604	(423) 232-6120
Ralph	Reach		3114 Browns Mill Road		Johnson City	TN	37604	(423) 631-0432
William	Walker	M.D.	206 West Holston Avenue		Johnson City	TN	37604	(423) 612-1950
Michael	Tino	M.D.	Doctors Assisted Wellness	100 West Unaka Avenue, Suite #3,4,5	Johnson City	TN	37604	(423) 928-1393
Charles	Backus	III	Morgan Counseling Services	412 West Unaka Street	Johnson City	TN	37604	(423) 833-5547
John	Miller	M.D.	811 Wedgewood Road		Johnson City	TN	37604	(423) 282-5381
Hetal	Brahmbhatt	M.D.	500 Longview Drive		Johnson City	TN	37604	(423) 975-5444
Jack	Woodside	Jr., M.D.	917 West Walnut Street		Johnson City	TN	37604	(423) 439-6464
Robert	Reeves	M.D.	926 West Oakland Avenue	Suite 222	Johnson City	TN	37604	(423) 282-3379
Edgar	Ongtengco	M.D.	2514 Wesley Street	Suite 101	Johnson City	TN	37604	(423) 833-5547
Juan	Rodriguez	M.D.	Mental Health Clinic, Dept. of Psychiatr	P.O. Box 4000, La Mont Street	Mountain Home	TN	37684	(423) 926-1171x7703
David	Forester	M.D.	James H. Quillen VA Medical Center	P.O. Box 4000 116A	Mountain Home	TN	37684	(423) 926-1171x7150
Donald	Henson	Jr. M.D.	James H. Quillen VA Medical Center	Dept. of Psych., 116-A, P.O. Box 4000	Mountain Home	TN	37684	(423) 926-1171x2765
Tony	Yost	M.D.	184 Tamara Lane		Greeneville	TN	37743	(423) 422-2126
Elliott	Smith	Jr.	1406 Tusculum Boulevard	Suite 2003	Greeneville	TN	37745	(423) 636-0050
George	Kehler	II	65 Payne Road		Mosheim	TN	37818	(423) 422-2126
John	Shaw	M.D.	Recovery Associates of East Tennessee	65 Payne Road	Mosheim	TN	37818	(423) 422-2126
Robert	Locklear	M.D.	68 Railroad Street		Mosheim	TN	37818	(423) 450-0071
Kevin	Catney	M.D.	Recovery Associates	65 Payne Road	Mosheim	TN	37818	(423) 422-2126
Paul	Jett	M.D.	420 West Morris Boulevard	Suite 130	Morristown	TN	37813	(423) 586-9796
Dennis	Harris	M.D.	420 West Morris Boulevard	Suite 130	Morristown	TN	37813	(423) 587-9796
Devon	Smith	M.D.	1621 West Morris Boulevard	Suite A	Morristown	TN	37813	(423) 307-8088
Michael	Chavin	M.D.	1639 West Morris Boulevard		Morristown	TN	37814	(423) 586-0341
Daniel	Paul	M.D.	138 Industrial Drive South		Elizabethton	TN	37643	(423) 542-7007
Edgar	Perry	M.D.	401 Hudson Drive	Suite # 3	Elizabethton	TN	37643	(423) 543-2721
Scott	Caudle		1503 West Elk Avenue	Suite 1	Elizabethton	TN	37643	(423) 543-8619
Todd	Whitaker	M.D.	3614 Unicoi Drive		Unicoi	TN	37692	(423) 743-7151

Treatment Programs offering Buprenorphine Treatment

Indian Path Medical Center			2300 Pavilion Drive		Kingsport	TN	37660	(423) 857-7000
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ATTACHMENT B3 A

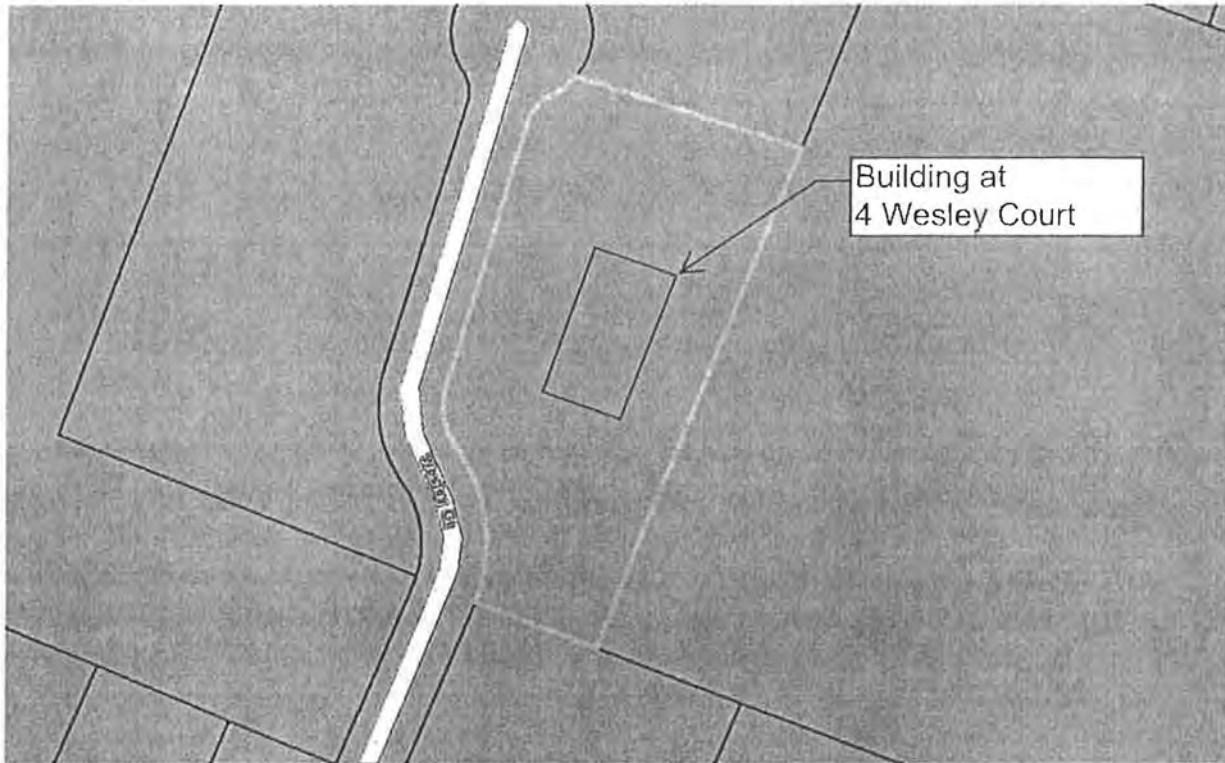
PLOT PLAN⁹¹

Washington County - Parcel: 038B B 006.00

SUPPLEMENTAL- # 1

March 25, 2013

12:15pm



Date Created: 3/18/2013

1. Parcel size: 1.66 acres
2. Building size: 8,208 square feet
3. All construction will be inside the four exterior walls of the building.
4. Names of streets, roads or highway that cross or border the site: Wesley Court

complete and ready for occupancy except for minor and incidental unpacking and assembly operations, location on jacks or other temporary or permanent foundations, connections to utilities, and the like. The following shall not be included in this definition:

- A. Travel trailers, pickup campers, motor homes, camping trailers, or other recreational vehicles.
- B. Manufactured modular housing which is designed to be set on a permanent foundation, and which meets the Standard Building Code Congress International.

MANUFACTURED HOME PARK: A parcel or tract of land under single ownership which has been planned and improved for the placement of manufactured homes for dwelling purposes; provided that all manufactured home parks existing at the time of passage of this Code not meeting the minimum requirements established in Article VI, Section 6.11, shall be considered a nonconforming use, and further provided that one manufactured home on a separate lot, shall not be considered a nonconforming manufactured home park.

MAP: The Flood Hazard Boundary Map (FHBM) or the Flood Insurance Rate Map (FIRM) for a community issued by the Agency.

MEAN SEA LEVEL: The average height of the sea for all stages of the tide. It is used as a reference for establishing various elevations within the floodplain. For purposes of the Floodplain Regulations, the term is synonymous with National Geodetic Vertical Datum (NGVD) or other datum, to which base flood elevations shown on the Flood Insurance Rate Map are referenced.

MEDICAL CLINIC: Medical services for out-patients only.

METHADONE TREATMENT CLINIC: A licensed facility for the counseling of patients and the distribution of methadone for outpatient, non-residential purposes only.

MOUNTING HEIGHT: The vertical distance between the surface to be lighted and the center of the apparent light source of a luminaire.

NATIONAL GEODETIC VERTICAL DATUM (NGVD): As corrected in 1929, is a vertical control used as a reference for establishing varying elevations within the floodplain.

6.13 - MS-1 MEDICAL SERVICES DISTRICT**6.13.1 INTENT:**

This district is intended to provide space for the harmonious development of medical facilities, services, and related support uses. The Medical Services District is intended to be protected from encroachment by land uses adverse to the location, operation, and expansion of medical use development.

6.13.2 PERMITTED USES:

Within the MS-1 Medical Services District the following uses are permitted:

- 6.13.2.1 Apothecaries, drug stores, and pharmacies;
- 6.13.2.2 Artificial limb and brace, therapeutic establishments, including the manufacturing, wholesale, and retail sales of products;
- 6.13.2.3 Banks;
- 6.13.2.4 Barber and beauty shops;
- 6.13.2.5 Bookstores including card and gift shops;
- 6.13.2.6 Churches, including parish houses;
- 6.13.2.7 Clinics;
- 6.13.2.8 Day-care centers and adult day-care centers;
- 6.13.2.9 Florist shops;
- 6.13.2.10 General office uses and office buildings, including professional and governmental;
- 6.13.2.11 Group homes, subject to the requirements of Subsection 6.8.2.3;
- 6.13.2.12 Hospitals for the treatment of human ailments, including psychiatric hospitals;
- 6.13.2.13 Laboratories - medical, dental, optical, pharmaceutical and related;
- 6.13.2.14 Medical, surgical, and dental supply businesses, both wholesale and retail;
- 6.13.2.15 Municipal, county, state or federal buildings or land uses;

- 6.13.2.16 Motels and hotels;
- 6.13.2.17 Nursing homes, rest homes, and convalescent homes;
- 6.13.2.18 Parking garages;
- 6.13.2.19 Public utility stations;
- 6.13.2.20 Residential homes for the aged, subject to the requirements of Subsection 6.6.1.5;
- 6.13.2.21 Restaurants, including drive-in services;
- 6.13.2.22 Retail sales and service establishments pertaining to any medically oriented product or service;
- 6.13.2.23 Schools;
- 6.13.2.24 Single-family residences;
- 6.13.2.25 Accessory structures and uses, provided they are located in the rear yard and set back a minimum of seven and one-half (7 ½) feet from all property lines;
- 6.13.2.26 Alternative tower structures; and
- 6.13.2.27 Heliports subject to compliance with the most recent edition of Federal Aviation Administration Circular 150/5390-2A.
- 6.13.2.28 Beer serving/sales establishments

6.13.3

USES PERMITTED BY APPROVAL AS SPECIAL EXCEPTION:

The following uses are permitted when approved by the Board of Zoning Appeals as Special Exceptions as provided by Section 15.4:

- 6.13.3.1 Mortuary establishments, provided such establishments will not cause undue traffic congestion or create a traffic hazard;
- 6.13.3.2 Gasoline service stations, provided:
 - A. Service stations' principal and accessory buildings shall not be constructed closer than forty (40) feet to any side or rear lot line nor closer than forty-five (45) feet to any street right-of-way;

- B. Gasoline pump islands shall not be located closer than thirty (30) feet to any street right-of-way line nor closer than forty (40) feet to any side or rear lot line which abuts an RO-1 or more restrictive zone but which does not abut a street right-of-way; and
- C. Canopies shall not be constructed closer than thirty (30) feet from any street right-of-way. (Since the Code states that variances may only be given when special conditions prevent the beneficial use of land, if a gasoline station may be constructed on a lot, the land has resulted in beneficial use; and, therefore, no waiver may be given permitting the canopy to extend closer than thirty (30) feet to the street right-of-way.)

6.13.3.3 Tower Structures.

6.13.3.4 Methadone Treatment Clinic provided:

- A. The facility shall be fully licensed/certified by the appropriate regulating state agency;
- B. A certificate of need shall be obtained from the appropriate state agency prior to review by the Board of Zoning Appeals;
- C. The facility shall not be located within two hundred (200) feet of a school, day-care facility, or park as measured from property line to property line;
- D. The facility shall not be located within two hundred (200) feet of any establishment that sells either on-premise or off-premise alcoholic beverages as measured from property line to property line;
- E. The hours of operation shall be between 7:00 a.m. and 8:00 p.m.; and
- F. The facility shall be located on and primary access shall be from an arterial street.

6.13.3.5 Substance Abuse Treatment Facility provided:

- A. The facility shall be fully licensed/certified by the appropriate regulating state agency, if required;

Attachment B4 – Referral Services

Service	Provider	Location	Subcontract or Referral?
Psychiatry	Grace Pointe Counseling Center: Sullivan Rodney PhD	2 Redbush Ct, Johnson City, TN 37601	Referral
Comprehensive Medical Services	Johnson City Medical Center	400 N State of Franklin Rd, Johnson City, TN 37604	Referral
Vocational Placement	Tennessee Career Center	2515 Wesley Street Johnson City, TN 37601	Referral
Educational GED Assistance	Tennessee Career Center	2515 Wesley Street Johnson City, TN 37601	Referral
Family Planning	Agape Women's Services	817 W Walnut St Ste 5A, Johnson City, TN 37604	Referral
STD Testing	Express Testing	402 Princeton Rd Suite B Johnson City, TN 37601	Referral
Financial Counseling	Greater Eastern Credit Union	2110 W Mountcastle Dr, Johnson City, TN 37604	Referral

ATTACHMENT C, NEED, 1a

2008 Tennessee Department of Mental Health

NRMTF Central Registry Data

~~108A~~

110A

TDMHDD METHADONE REGISTRY
CONSUMERS BY COUNTY OF RESIDENCE AND CLINIC 092008

Patients served 01/01/2008 through 12/31/2008

4/27/2009

	Davidson Co. Middle Tennessee Treatment	Dyer Co. MidSouth Treatment Center	Hamilton Co. Volunteer Treatment Center, Inc.	Hardin Co. Solutions of Savannah	Knox Co. DRD Knoxville Medical Clinic	Knox Co. DRD Knoxville Medical Clinic - Central	Madison Co. Jackson Professional Associates	Shelby Co. ADC Recovery and Counseling	Shelby Co. Memphis Center for Research and	Shelby Co. Raleigh Professional Associates
Anderson			72		74	81	2		1	
Bedford	4	1	5				1			
Benton	1			1			31			
Bledsoe			6							
Blount			88		62	68				
Bradley	1		95			1	1			
Campbell			66		77	78				
Cannon	1									
Carroll	1			1			24			
Carter			4		2	1				
Cheatham	75								2	
Chester				4			42		2	
Claiborne			20		31	43				
Clay	3		2			2				
Cocke			1		10	12				
Coffee	13		13				1			
Crockett		2					9		1	

108B
110B

Beginning April 2008 the Tennessee Department of Mental Health and Developmental Disabilities (TDMHDD) began collecting data regarding non-residential opioid treatment facilities (Facilities) in the State of Tennessee. This data is derived from information submitted by each Facility. TDMHDD can neither guarantee nor attest to the accuracy of any data submitted by or on behalf of the Facilities.

TDMHDD METHADONE REGISTRY
 CONSUMERS BY COUNTY OF RESIDENCE AND CLINIC

Patients served 01/01/2008 through 12/31/2008

4/27/2009

	Davidson Co. Middle Tennessee Treatment	Dyer Co. MidSouth Treatment Center	Hamilton Co. Volunteer Treatment Center, Inc.	Hardin Co. Solutions of Savannah	Knox Co. DRD Knoxville Medical Clinic	Knox Co. DRD Knoxville Medical Clinic - Central	Madison Co. Jackson Professional Associates	Shelby Co. ADC Recovery and Counseling	Shelby Co. Memphis Center for Research and	Shelby Co. Raleigh Professional Associates
Cumberland	1		12			1				
Davidson	694		9			1	6			
Decatur	1			5			6			
DeKalb	19									
Dickson	31		1				2			
Dyer		87					62	3	3	1
Fayette	1	1	1				2	8	6	6
Fentress	6		6							
Franklin	1		2		2					
Gibson		2		1			25			
Giles	1									
Grainger			24		24	47				
Greene					2	8				
Grundy			2							
Hamblen			14		38	31				
Hamilton	6		382		1	4				
Hancock					17	2				
Hardeman			1	1			19	2	3	

108C
110C

Beginning April 2008 the Tennessee Department of Mental Health and Developmental Disabilities (TDMHDD) began collecting data regarding non-residential opioid treatment facilities (Facilities) in the State of Tennessee. This data is derived from information submitted by each Facility. TDMHDD can neither guarantee nor attest to the accuracy of any data submitted by or on behalf of the Facilities.

	Davidson Co. Middle Tennessee Treatment	Dyer Co. MidSouth Treatment Center	Hamilton Co. Volunteer Treatment Center, Inc.	Hardin Co. Solutions of Savannah	Knox Co. DRD Knoxville Medical Clinic	Knox Co. DRD Knoxville Medical Clinic - Central	Madison Co. Jackson Professional Associates	Shelby Co. ADC Recovery and Counseling	Shelby Co. Memphis Center for Research and	Shelby Co. Raleigh Professional Associates
Hardin				254			29	1		2
Hawkins	1		2		5	15				
Haywood							3		1	2
Henderson				5			16			
Henry	2						42			
Hickman	51			1			4		2	
Houston	1						1			
Humphreys	11						6	1		
Jackson	10		1							
Jefferson			34		47	39		1	1	
Johnson	1				1					
Knox	6		246		433	383	1		2	
Lake	1	45					55		1	
Lauderdale		3					6			4
Lawrence	3			1						
Lewis	15			1						
Lincoln	1									
Loudon	1		86		15	21				

1080
1100

Beginning April 2008 the Tennessee Department of Mental Health and Developmental Disabilities (TDMHDD) began collecting data regarding non-residential opioid treatment facilities (Facilities) in the State of Tennessee. This data is derived from information submitted by each Facility. TDMHDD can neither guarantee nor attest to the accuracy of any data submitted by or on behalf of the Facilities.

TDMHDD METHADONE REGISTRY
CONSUMERS BY COUNTY OF RESIDENCE AND CLINIC

Patients served 01/01/2008 through 12/31/2008

4/27/2009

	Davidson Co. Middle Tennessee Treatment	Dyer Co. MidSouth Treatment Center	Hamilton Co. Volunteer Treatment Center, Inc.	Hardin Co. Solutions of Savannah	Knox Co. DRD Knoxville Medical Clinic	Knox Co. DRD Knoxville Medical Clinic - Central	Madison Co. Jackson Professional Associates	Shelby Co. ADC Recovery and Counseling	Shelby Co. Memphis Center for Research and	Shelby Co. Raleigh Professional Associates
Macon	7		1							
Madison	1	3		3	1		184	1	2	2
Marion			24							
Marshall	11		1					1		
Maury	42		1			1				
McMinn			69		3					
McNairy	1			116			57	1		
Meigs			22			1				
Monroe			32		2	2				
Montgomery	22		1			1				
Morgan			21		10	11				
Obion	1	62					71			2
OUT OF ST.	164	9	236	125	28	29	44	175	287	66
Overton	18		24				1			
Perry			1	2			1			
Pickett	1		7							
Polk			11			1				
Putnam	23		24							

108E
110E

Beginning April 2008 the Tennessee Department of Mental Health and Developmental Disabilities (TDMHDD) began collecting data regarding non-residential opioid treatment facilities (Facilities) in the State of Tennessee. This data is derived from information submitted by each Facility. TDMHDD can neither guarantee nor attest to the accuracy of any data submitted by or on behalf of the Facilities.

TDMHDD METHADONE REGISTRY
CONSUMERS BY COUNTY OF RESIDENCE AND CLINIC

Patients served 01/01/2008 through 12/31/2008

4/27/2009

	Davidson Co. Middle Tennessee Treatment	Dyer Co. Midsouth Treatment Center	Hamilton Co. Volunteer Treatment Center, Inc.	Hardin Co. Solutions of Savannah	Knox Co. DRD Knoxville Medical Clinic	Knox Co. DRD Knoxville Medical Clinic - Central	Madison Co. Jackson Professional Associates	Shelby Co. ADC Recovery and Counseling	Shelby Co. Memphis Center for Research and	Shelby Co. Raleigh Professional Associates
Rhea			25							
Roane	2		121		20	10	2			
Robertson	23	1					1			
Rutherford	145			1		1	3			
Scott			7		3	7				
Sequatchie			8							
Sevier	2		50		101	83				
Shelby	4	2		2		1	6	202	388	220
Smith	28							1		
Stewart	2									
Sullivan			1		10	8				
Sumner	96		1							
Tipton		1		1			2	5	22	18
Trousdale	2									
Unicoi			1			1			1	
Union			15		27	22				
UNKNOWN	18	2	35	9	13	13	11	6	16	2
Van Buren			4							

108F
110F

Beginning April 2008 the Tennessee Department of Mental Health and Developmental Disabilities (TDMHDD) began collecting data regarding non-residential opioid treatment facilities (Facilities) in the State of Tennessee. This data is derived from information submitted by each Facility. TDMHDD can neither guarantee nor attest to the accuracy of any data submitted by or on behalf of the Facilities.

CONSUMERS BY COUNTY OF RESIDENCE AND CLINIC

Patients served 01/01/2008 through 12/31/2008

4/27/2009

	Davidson Co. Middle Tennessee Treatment	Dyer Co. Midsouth Treatment Center	Hamilton Co. Volunteer Treatment Center, Inc.	Hardin Co. Solutions of Savannah	Knox Co. DRD Knoxville Medical Clinic	Knox Co. DRD Knoxville Medical Clinic - Central	Madison Co. Jackson Professional Associates	Shelby Co. ADC Recovery and Counseling	Shelby Co. Memphis Center for Research and	Shelby Co. Raleigh Professional Associates
Warren	4		11							
Washington					4	2				
Wayne	1			11						
Weakley		1				1	14			
White	5		13							
Williamson	100	2					2			
Wilson	102		1			2				1
Total	1,789	224	1,963	545	1,063	1,035	795	408	741	326

1086
1106

Beginning April 2008 the Tennessee Department of Mental Health and Developmental Disabilities (TDMHDD) began collecting data regarding non-residential opioid treatment facilities (Facilities) in the State of Tennessee. This data is derived from information submitted by each Facility. TDMHDD can neither guarantee nor attest to the accuracy of any data submitted by or on behalf of the Facilities.



145 Enterprise Drive, Unit A
Cumming, GA 30040
678-300-6227

104
Attachment C, Economic Feasibility
(Construction Cost Estimate)

SUPPLEMENTAL- # 1

March 25, 2013

12:15pm

Budgetary Project Estimate for Tri-Cities Holdings, LLC
5 Wesley Court
Johnson City, TN

February 28, 2013

To:
Tri-City Holdings, LLC
c./o Steve Kester
6555 Sugarloaf Parkway
Duluth, GA 30097

Per your request, we have developed a budgetary estimate to renovate the property at 4 Wesley Court, Johnson City, TN.

The work to be done includes:

- Demolition of unused walls
- Build-out offices from existing walls
- Reconfigure HVAC
- Plumbing to exam room
- Add electrical and low voltage to offices
- Build 4 dosing windows
- Build payment window/check-in station
- Add 2 new offices
- Painting
- Travel and project management

All of our work will be permitted and done in conformance with local, State and Federal construction codes, standards and requirements, including the Americans With Disabilities Act. Specifically, we are aware of, and will conform to the latest American Institute of Architects Guidelines for Design and Construction of Hospitals and Health Care Facilities.



145 Enterprise Drive, Unit A
Cumming, GA 30040
678-300-6227

105

SUPPLEMENTAL- # 1

March 25, 2013
12:15pm

Total square footage affected: 8,000

Cost basis: \$15-\$20/square foot

Estimate: \$120,000 - \$160,000

This is NOT a firm quote. It is an budgetary estimate based upon similar work at comparable clinics.

Please call to schedule a detailed walk-through and firm quote.

Signed,

Robert Burke
President

Attachment C.

Economic Feasibility.10.

March 28, 2013

9:00 am

Facsimile



Maxim Group LLC
99 Sunnyside Blvd Ext.
Woodbury, NY 11797
Telephone (516) 393-8300
Facsimile (516) 364-1310
Website www.maximgrp.com

To

Steve Kester

Company

Fax No

From

404-537-3780Michael Fenton

Date

March 27, 2013No of Pages
(including cover)2

Re

Account Balance

Message:

Please see attached.Your Balances as of March 27, 2013

Name of IP: MICHAEL FENTON - (KESTER LP) - NYMFF0001 - Balances - Customer view (Delayed)

Key Values	As of 03/27/2013
Long Market Value ¹ :	\$788,250.41
Short Market Value:	\$0.00
Securities Owed ² :	\$0.00
Cash Mgmt Balance:	\$0.00
Cash:	\$762,888.60
Net Worth:	\$1,551,139.01
Total Annuity Value ³ :	\$0.00
Total Account Value:	\$1,551,139.01
Debit Interest Rate:	\$0.00

Funds Available/Due	As of 03/27/2013
Funds Available for Withdrawal:	\$762,888.60
Funds Available to Trade:	\$762,888.60
Day Trade Buying Power(as of Previous Day):	\$0.00
Funds Due(as of Previous Day) ⁴ :	\$0.00

¹Long Market Value does not include options, commercial paper, annuities, precious metals, alternative investments and foreign currencies.

²'Securities Owed' is as of Previous Day.

³Annuity values are as of Previous Day and may fluctuate between 4:00AM (ET) and 6:00AM (ET) while data sources make updates.

⁴'Funds Due' is calculated as of the Previous Day. The Funds Due amount does not consider amounts due for purchases, sales or other transactions executed today.

Values computed based on quote data delayed per exchange agreement. NYSE and AMEX data delayed at least 15 minutes for NYSE, AMEX, NASDAQ, OTC, OTCBB and OPRA.

This report is a service from your Investment Professional, not a substitute for your account statements and confirmations. This report is prepared as of trade data rather than settlement date and may be prepared on a different date than your statement. This report uses information from sources that Pershing believes to be reliable, but Pershing cannot guarantee the accuracy of this information or the reliability of these sources. If you find discrepancies in this report, please contact your Investment Professional.

Prepared By (PNXMMFEN) at 03/27/2013 11:34

©NetX360, All Rights Reserved.

Steve,

Please see above, your account balance
at Maxim as of March 27, 2013

- M Fenton
Mike Fenton, SUP
Maxim Group
212-895-3698

https://www2.netxpro.com/rtm/jsp/rtm/Customerview_Summary_Delayed_Print.jsp

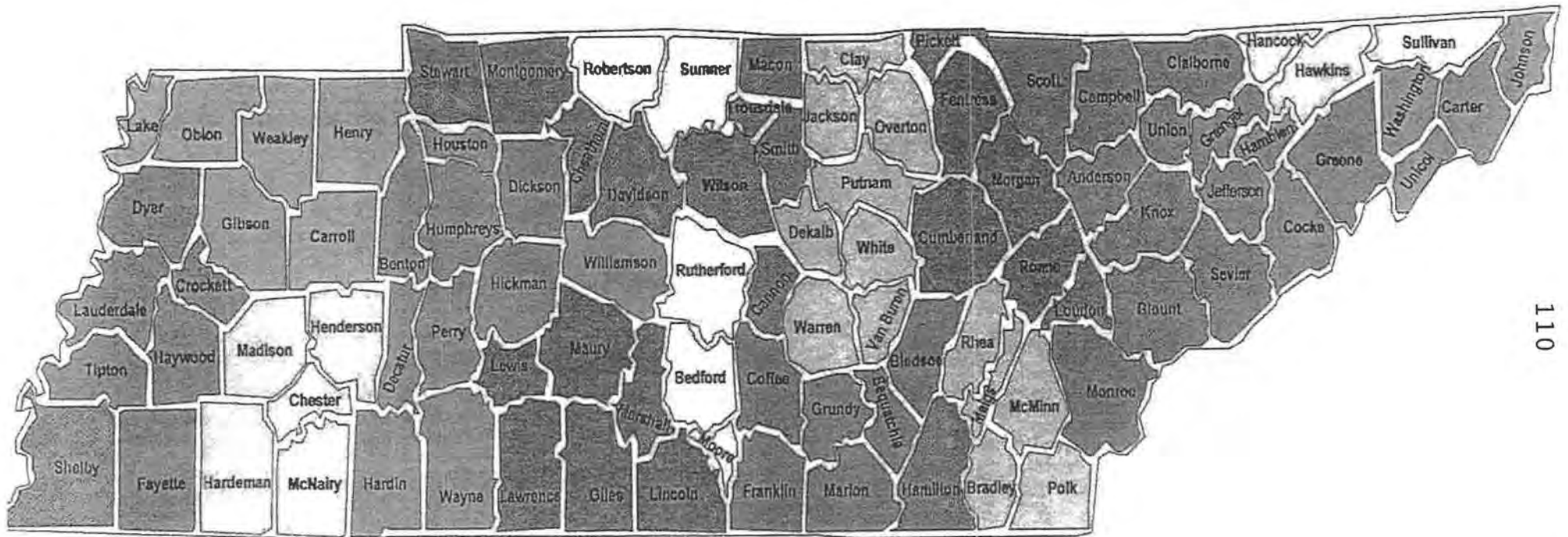
3/27/2013

Proposed Service Area



Proposed Service Area includes the counties that are those boxed above, including Sullivan, Washington, Greene, Hamblen, Carter, Hawkins, Cocke, Unicoi and Johnson. Washington, Carter, Johnson and Unicoi counties form Methadone Service Area #1, Sullivan and Hawkins county are in MSA #2, and Green, Cocke and Hamblen counties are in MSA #3.

Attachment C 3.
Tennessee Methadone Service Areas
January 2002



110

SUPPLEMENTAL- # 1

March 25, 2013
12:15pm

Possible Methadone Service Areas for NR Methadone Clinic Locations

<u>MSA #</u>	<u>County</u>	<u>Popn</u>	<u>RSA #</u>	<u>County</u>	<u>Popn</u>
1	Washington	107,200	13	Hickman	22300
	Johnson	17500		Perry	7600
	Carter	56700		Wayne	16800
	Unicoi	17700		Dickson	43200
	S/T	199,100		Humphreys	17900
2	Sullivan	153,000		Houston	8100
	Hawkins	53500		Hardin	25600
	Hancock	6800		Decatur	11700
	S/T	213,300		Benton	16500
3	Greene	62900	14	S/T	169700
	Cocke	33600		Montgomery	134800
	Hamblen	58100		Stewart	12400
	Jefferson	44300		Cheatham	35900
	Grainger	20700		S/T	183100
4	S/T	219600	15	Williamson	126600
	Claiborne	29900		Sumner	130400
	Union	17800		Robertson	54400
	Campbell	39900		S/T	184800
	Scott	21100		Madison	91800
5	Anderson	71300	16	McNairy	24700
	S/T	180000		Chester	15600
	Sevier	71200		Henderson	25500
	Blount	105800		Hardeman	28100
6	Monroe	39000	17	S/T	185700
	S/T	216000		Weakley	34900
	Cumberland	46800		Henry	31100
	Morgan	19800		Carroll	29500
7	Roane	51900	18	Gibson	48200
	Loudon	39100		Obion	32500
	Fentress	16600		Lake	8000
	Pickett	4900		S/T	184200
	S/T	179100		Dyer	37300
8	Putnam	62300	19	Lauderdale	27100
	Overton	20100		Tipton	51300
	Jackson	11000		Haywood	19800
	Warren	38300		Crockett	14500
	Day	8000		Payette	28800

	White	23100		S/T	178800
	Dekalb	17400			
	Van Buren	5500			
	S/T	185700			
8	Bradley	88000			
	Polk	16100	20	Knox	382000
	McMinn	49000	21	Hamilton	307900
	Meigs	11100	22	Davidson	569900
	Rhea	28400	23	Shelby	897500
	S/T	192600			
9	Bledsoe	12400		RSA	# Current PTs Rate/100K
	Sequatchie	11400		1	55 27.6
	Marion	27800		2	27 12.7
	Grundy	14300		3	119 54.2
	Franklin	39300		4	149 82.8
	Coffee	48000		5	146 67.6
	S/T	153200		6	196 109.4
				7	153 82.4
10	Rutherford	182000		8	77 40.0
	Bedford	37600		9	45 29.4
	Moore	5700		10	37 16.4
	S/T	225300		11	32 21.8
				12	62 29.8
11	Wilson	88800		13	42 24.7
	Macon	20400		14	30 16.4
	Trousdale	7300		15	33 26.1
	Cannon	12800		16	33 17.9
	Smith	17700		17	53 28.5
	S/T	147000		18	56 30.4
				19	21 11.7
12	Maury	69500		20	440 77.2
	Marshall	26800		21	193 62.7
	Lincoln	31300		22	375 65.8
	Giles	29400		23	365 40.7
	Lewis	11400		Total	2739 48.1
	Lawrence	39900			
	S/T	208300			
				2845 no Zip	50.0

67/100K	Pop'n	152/100K
100	150,000	228
134	200,000	304
159	250,000	380

LETTERS OF SUPPORT (TO DATE)

March 25, 2013

12:15pm

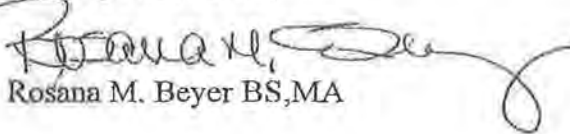
March 17, 2013
8564 Horton Hwy.
Greeneville, TN 37745

2013 MAR 21 AM 9:13

TO WHOM IT MAY CONCERN: I have worked with young people for over thirty years dealing with their educational, emotional, and physical everyday problems. For the majority of the young people I worked with, had used drugs or was using them on a daily basis to rid themselves of their physical and emotional pain.

Therefore, I firmly believe in a methadone clinic in the Johnson City area. We, the community, and the young people, would truly benefit from it conception.

Thank-you so much,



Rosana M. Beyer BS,MA

March 25, 2013

12:15pm

To Whom This May Concern,

2013 MAR 20 AM 9:07

My name is Kathy Ostertag, RN and I am writing in support of the Certificate of Need for an opiate treatment program (OTP) in Johnson City. I have no financial interest in the company trying to open the OTP.

I have worked at three OTPs in the Asheville, North Carolina area. In all three clinics, many of the patients come from the Tri Cities area and drive great distances, crossing the state line to get treatment. I believe that for every patient that made the trek, 2 or 3 did not. Distance and time are the leading barriers to getting treatment. You should worry about these people who don't get treatment. Statistically, 80% of addicts support their addiction through crime - theft, prostitution, forgery, etc.

Let me give you an example of a typical day in the life of a person/family in recovery who has made the brave choice to get help for their addiction: A young family living in the Johnson City area - one maybe both parents have struggled for years with addiction - but now they have hope - they have a place where they can get relief from the physical pain of addiction and the support of a staff of Nurses, Doctors, and highly qualified counselors to help them in this brave effort. Finally without the chain of addiction and the lifestyle that goes along with it - the father and mother now both have legitimate jobs are able to provide their families with a good and safe home - gained back the respect they had long ago lost for themselves. The one draw back is it is over an hour away on often dangerous roads in inclement weather. - So their day starts out with an alarm that rings at about 1:00 AM - they get up, get their kids up from a good nights sleep, place their sleeping children in the car for the long drive to Asheville - an hour or more away - arriving at about 3:00 AM at the treatment program to wait for the clinic to open at 5:00 AM - they arrive so early to ensure a place at the front of the line, as there are so many others their that have made the same long trip from your area that day - to facilitate getting back home earlier. They enter the clinic, they usually see their counselor, get their medication and usually several times a month have a urine drug screen - all of this taking at least an hour. Now they drive back home arriving there around 7:00 AM - and now there day begins - just like yours and mine. They get ready for work - get the kids' fed and ready for school and/or day care - leave the house to have a productive day just like the rest of us. Except this family has already had a full day. Now multiply this by 1000 people/families in treatment - This facility is NEEDED.

March 25, 2013

12:15pm

Ask yourselves is it fair that the residents of the Johnson City area should have to endure such hardship in order to gain their lives back. These are members of our community that you and I work with everyday – side by side – families just like yours and mine – wanting a better life for themselves and there children – should it be so hard for them – ask yourself that. I can't tell you how many times I have heard the words "Kathy – This place has saved my life". As a health care professional I can tell you there is nothing better, or more rewarding to know that you have helped to improve the lives of others – this program will change lives in your community.

For those who do make the drive, many, like the family I describe above, are under great stress struggling with the finances and time to make the commute. Many drop out of treatment because they can't afford the gas, or have work or family commitments that conflict. Dropping out of treatment often means relapsing back to drugs.

Companies want to open in the Tri Cities area because there is a desperate need. I understand locals are concerned about crime and property values. I can tell you first hand after 12 years working in addiction treatment – these facilities are good neighbors – going un noticed in their locations – supporting out reach programs in the community with education and support of community programs – these substance abuse treatment programs SAVE lives and FAMILIES and in turn help SAVE our communities. Many studies have shown that the far greater risk is the LACK of treatment.

Approve the CON. Lower crime. Lower drug use. Less disease. Compassionate care.

Sincerely,



Kathy Osterlag, RN

March 25, 2013

12:15pm

To whom it may concern,

Concerning the proposed methadone clinic in Johnson City.

I am in full support of it. Abstinence works in some people but not in others.

If you know you're going to get your daily dose you are more likely to be able to hold a job and live your life.

Prescription drug abuse is rampant in the area. Chasing that dose everyday is no fun.

Addiction knows no social or economic boundaries. It ranges from soccer moms to street junkies. No one wants to be a junkie and a clinic would provide them with a pathway to get clean without constantly trying to find drugs and come up with the money to buy them. That is where most of the crime comes in.

As far as crime around the clinic, that's what the police are for.

Please issue a certificate of need. The problems are just getting worse.

Thank you

Ross Jackson

Ross Jackson

PO Box 185

Chuckey, TN 37641

March 25, 2013

12:15pm

Joy Jackson

PO Box 185

Chuckey, TN 37641

March 18, 2013

2013 MAR 21 AM 9:14

Health Services and Development

Agency

The Frost Bldg. Third Floor

161 Rosa L. Parks Blvd.

Nashville, TN 37243

To Whom It May Concern:

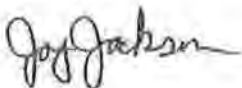
As a citizen of Upper East Tennessee, I am writing in support of approval of a certificate of need for a methadone clinic in Johnson City.

Prescription drug and opiate addiction has become rampant in our area and is reflected in increased criminal activity, unemployment and the breakup of families.

No addict started out with the thought that he/she could become physically dependent on these drugs. No one wants to be a junkie. Many want to quit but do not know where to turn. A treatment clinic in our area could help many hundreds of addicts turn their lives around and once again be productive members of our society. They would be able to work and lead a normal life close to home. As it is now, addicts from the Tri-cities area must drive to Knoxville or Asheville, NC every day for treatment, which is nearly impossible while trying to hold down a job. Many will give up because of this limitation.

A methadone clinic in Johnson City would be a positive thing for this community and all of its citizens.

Thank you,



Joy Jackson

March 25, 2013

12:15pm

Tennessee Health Services And Development Agency
 Melanie M. Hill, Executive Director
 Frost Building, 3rd Floor
 161 Rosa L. Parks Boulevard
 Nashville, TN 37243

2013 MAR 21 AM 9:14

March 11, 2013

Ms. Hill:

I am writing you in support of Tri-Cities Holding's Certificate of Need for an opiate treatment program in Johnson City, Tennessee.

I have the unique advantage of treating over 1,000 opiate-addicted patients both in an opiate treatment program and a private physician's office. I have medically supervised methadone, buprenorphine and abstinence-based services to treat those suffering from opiate addiction. I have no financial interest in Tri-Cities Holdings, nor am I a part of the staff or management.

There are several points I wish your Agency to know about treating those suffering from opiate addiction.

1. Physician-based practices that offer buprenorphine treatment are significantly disadvantaged relative to opiate treatment programs:
 - a. These offices rarely provide counseling services, which are a critical component to treatment and a patient's ultimate path to independence
 - b. Private doctor's office don't have the same requirements for drug testing, attendance and group therapy that are critical to ensure compliance and a patient's commitment
 - c. The hours of operation of a doctor's office do not meet a patient's need to balance work and family commitments
 - d. Addicts are co-mingled with the other patients in the office which creates shame and discomfort
 - e. Staff at opiate treatment programs (nurses, counselors, doctors, etc.) are specifically trained and credentialed to treat the specific needs of those suffering from opiate addiction
 - f. When compared to the cost and services of an opiate treatment program, doctors' offices are significantly over-priced
2. Johnson City is trading the perceived problems of a methadone clinic with the very real costs of opiate addiction. Distance plays a significant role in treatment. In my Atlanta-based practices, I frequently see patients who travel great distances because the community they live in does not want a clinic or is too small to support a clinic. As you know, patients who are just entering treatment must come every day. This is the precise time that they are most vulnerable to relapse, and this distance places a tremendous burden on them.

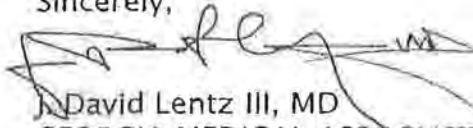
Further, for every patient that travels far for treatment, he or she will tell you they know 2 or 3 addicts that want treatment, but cannot make the commitment of time or money associated with a long daily commute.

Untreated addicts commit crime to support their habit, leave their families, get incarcerated, and clog emergency rooms. In keeping a clinic out, Johnson City is inviting in many more problems. March 25, 2013 12:15pm

3. Whatever the perceived problems of opiate treatment programs, Johnson City has exported them to the nearest communities that will support treatment. Does this seem like the right thing to do?
4. The perceived problems of opiate treatment programs are just that, perceived. There are nearly 1,300 of these clinics in the US. If they were as bad as the Johnson City officials have made them out to be, do you think they would be tolerated? The fact is, these clinics open and operate with a whimper, not a bang. The worst problems are parking and smoking, which pale in comparison to theft, prostitution, HIV, and broken families.
5. Most of the opposition that I have read is from uninformed people who perpetuate myths. Have you heard from former patients, staff or neighboring businesses? Asheville has five of these clinics, yet it's a wonderful city.
6. Speaking of myths, here are some doozies: "Methadone is just trading one drug for another. Addicts should just go cold turkey." Less than 10% of opiate addicts can withdraw "cold turkey" without relapse. Many pain pills are just as addictive as heroin and substantial research has shown that abstinence-based withdraw is far less successful than medication-based treatment.
7. Johnson City's problems may get worse. "Pain mills" and other diversion operations are being successfully identified and shut down. That's the good news. However, if pain pills addicts have no treatment, they will likely turn to heroin, which has become cheaper and easier to obtain in most communities.

I encourage you to take an objective review of the facts. Doing so will lead you to the decision that this project is best for the community.

Sincerely,



David Lentz III, MD
GEORGIA MEDICAL ASSOCIATES PC
2121 Fountain Drive
Suite A
Snellville, GA 30078

NOTIFICATION REQUIREMENT

March 25, 2013

12:15pm

Tri-Cities Holdings LLC
d/b/a Trex Treatment Center
6555 Sugarloaf Parkway Suite 307-137
Duluth, GA 30097

Phone: 404-664-2616

E-mail:
swkester@gmail.com

March 5, 2013

VIA CERTIFIED MAIL/RETURN RECEIPT REQUESTED

Rep. James (Micah) Van Huss
R-Jonesborough District 6
301 6th Avenue North
Suite 23 Legislative Plaza
Nashville, Tennessee 37243

Mayor Dan Eldridge
Washington County Mayor's Office
103 W. Main St.
Jonesborough, Tennessee 37659

Senator Rusty Crowe
R-Johnson City District 3
301 6th Avenue North
Suite 8 Legislative Plaza
Nashville, Tennessee 37243

Mayor Jeff Banyas
Municipal & Safety Building
601 E. Main Street
Johnson City, Tennessee 37601

Gentlemen:

In accordance with Tenn. Code Ann. Section 68-11-1607, please be advised that an application for a nonresidential methadone treatment facility to be located at 4 Wesley Court, Johnson City, TN 37601 has been filed with the Tennessee Health Services and Development Agency by Tri-Cities Holdings LLC d/b/a Trex Treatment Center.

Sincerely,
Tri-Cities Holdings LLC

Steve Kester, Manager.

SWK/jd

CERTIFIED MAIL™ RECEIPT		
(Domestic Mail Only; No Insurance Coverage Provided)		
For delivery information visit our website at www.usps.com		
71791000114916897354 NASHVILLE TN 37243		
Postage	\$ 0.46	\$0.46
Certified Fee	\$3.10	\$3.10
Return Receipt Fee (Endorsement Required)	\$2.55	\$2.55
Restricted Delivery Fee (Endorsement Required)	\$0.00	\$0.00
Total Postage & Fees	\$ 6.11	\$6.11
Sent To Rep. James (Micah) Van Huss 301 6th Avenue North Suite 23 Legislative Plaza Nashville, TN 37243 Street, Apt. No.; or PO Box No. City, State, Zip+4		
PS Form 3800, August 2006 See Reverse for Instructions		



Code: TCH/Van Huss

SUPPLEMENTAL- # 1

March 25, 2013

12:15pm

CERTIFIED MAIL™ RECEIPT (Domestic Mail Only; No Insurance Coverage Provided)			
For delivery information visit our website at www.usps.com			
71791000164916897538 JOHNSON CITY TN 37601			
Postage	\$ 0.46	\$0	\$5
Certified Fee	\$3.10	\$3	10
Return Receipt Fee (Endorsement Required)	\$2.55	\$2	00
Restricted Delivery Fee (Endorsement Required)	\$0.00	\$0	00
Total Postage & Fees	\$ 6.11	\$6	11
Sent To Mayor Jeff Banyas Municipal & Safety Building 601 E. Main Street Street, Apt. No., or PO Box No. Johnson City, TN 37601 City, State, Zip+4			
PS Form 3800, August 2006 See Reverse for Instructions			



Code: TCH/Banyas

SUPPLEMENTAL- # 1
March 25, 2013
12:15pm

CERTIFIED MAIL™ RECEIPT		
(Domestic Mail Only; No Insurance Coverage Provided)		
For delivery information visit our website at www.usps.com		
JONESBOROUGH, TN 37659		
Postage	\$0.46	
Certified Fee	\$3.10	
Return Receipt Fee (Endorsement Required)	\$2.55	
Restricted Delivery Fee (Endorsement Required)	\$0.00	
Total Postage & Fees	\$6.11	
Sent To: Mayor Dan Eldridge Washington County Mayor's Office Street, Apt. No., or PO Box No.: 103 W. Main Street City, State, Zip+4: Jonesborough, TN 37659		
PS Form 3800, August 2006 See Reverse for Instructions		



Code: TCH/Eldridge

SUPPLEMENTAL- # 1
 March 25, 2013
 12:15pm

CERTIFIED MAIL™ RECEIPT (Domestic Mail Only; No Insurance Coverage Provided)			
For delivery information visit our website at www.usps.com			
71791080364816897422 NASHVILLE TN 37243			
Postage	\$	\$0.46	\$0.46
Certified Fee		\$3.10	\$3.10
Return Receipt Fee (Endorsement Required)		\$2.55	\$2.55
Restricted Delivery Fee (Endorsement Required)		\$0.00	\$0.00
Total Postage & Fees	\$	\$6.11	\$6.11
Sent To		Senator Rusty Crowe 301 6th Avenue North Suite 8 Legislative Plaza Nashville, TN 37243	
Street, Apt. No., or PO Box No.			
City, State, Zip+4			
PS Form 3800, August 2006 See Reverse for Instructions			



Code: TCH/Crowe

SUPPLEMENTAL- # 1
March 25, 2013
12:15pm

Certified Number	Sender	Recipient	Date Mailed	Delivery Status
71791000164916897354		Rep. James (Micah) Van Huss, 301 6th Avenue North, Suite 23 Legislative Plaza, Nashville, TN, 37243 Code: TCH/Van Huss	2/28/2013	Delivered March 07, 2013 GREEN CARD SIGNED
71791000164916897422		Senator Rusty Crowe, 301 6th Avenue North, Suite 8 Legislative Plaza, Nashville, TN, 37243 Code: TCH/Crowe	2/28/2013	Delivered March 07, 2013 GREEN CARD SIGNED
71791000164916897538		Mayor Jeff Banyas, Municipal & Safety Building, 601 E. Main Street, Johnson City, TN, 37601 Code: TCH/Banyas	2/28/2013	Delivered March 08, 2013 GREEN CARD SIGNED
71791000164916897569		Mayor Dan Eldridge, Washington County Mayor's Office, 103 W. Main Street, Jonesborough, TN, 37659 Code: TCH/Eldridge	2/28/2013	Delivered March 08, 2013 GREEN CARD SIGNED

ARTICLES

AFFIDAVIT

2013 MAR 25 PM 12 10

STATE OF GEORGIA

COUNTY OF FULTON

NAME OF FACILITY: TRI-CITIES HOLDINGS LLC
4 WESLEY COURT
JOHNSON CITY, TENNESSEE

I, STEVE KESTER, after first being duly sworn, state under oath that I am the applicant named in this Certificate of Need application or the lawful agent thereof, that I have reviewed all of the supplemental information submitted herewith, and that it is true, accurate, and complete.

Steve W. Kester / MANAGER
Signature/Title

Sworn to and subscribed before me, a Notary Public, this the 25 day of March, 2013
witness my hand at office in the County of Fulton, State of Georgia.

Theresa P. L. L. L.
NOTARY PUBLIC

My commission expires 03/27/14

HF-0043

Revised 7/02

COPY- SUPPLEMENTAL-2

Tri-Cities Holdings, LLC

CN1303-005

Law Offices
James A. Dunlap Jr. & Associates LLC
801 West Conway Drive NW
Atlanta, Georgia 30327

SUPPLEMENTAL- # 2

March 28, 2013

9:00 am

Phone: (404) 354-2363

Fax: (404) 745-0195

2013 MAR 23 AM 9:02

E-mail:

jim@jamesdunlaplaw.com

March 27, 2013

VIA FEDERAL EXPRESS

Phillip Earhart
Tennessee Health Services And Development Agency
Frost Building, 3rd Floor
161 Rosa L. Parks Boulevard
Nashville, TN 37243

Re: **Application for Certificate of Need**
Applicant: Tri-Cities Holdings LLC

Dear Phillip:

Please find enclosed an original and two copies supplement information for the Application for Certificate of Need by Tri-Cities Holdings LLC.

Please contact me if you have any questions or if I may be of assistance.

Sincerely,
James A. Dunlap Jr. & Associates LLC



James A. Dunlap Jr.

JAD/jd
Enclosures

March 28, 2013

9:00 am

132

Tri Cities Holdings, LLC
 6555 Sugarloaf Parkway
 Suite 307-137
 Duluth, GA 30097
 404-664-2616

2013 MAR 28 AM 9:02

March 27, 2013

Phillip Earhart
 Health Services Development Examiner
 Health Services & Development Agency
 161 Rosa Parks Boulevard
 Nashville, TN 37203

RE: Certificate of Need Application CN1303-005
 Tri-Cities Holdings, LLC

Dear Mr. Earhart:

Thank you for reviewing our revised application and we are pleased to respond to your remaining questions.

We have listed your questions in **bold** and typed our response immediately following. We have also included the following attachments:

- Revised Page 22
- Project Costs Chart (should go after page 29, and be page numbered 29A)
- Revised Financial Resources documentation, should replace pages 113 and 114 and again on pages 116 and 117
- Projected Data Chart (confirms pages 30, 31 and 32; page 36 should be deleted)
- Executed Affidavit

1. Section A, Applicant Profile, Item 6

TennCare covers the drug buprenorphine for treatment of opiate addiction. The medication, medical services and transportation to providers are a covered TennCare benefit. With this in mind, please clarify the reason why you are not planning to accept TennCare for suboxone patients. What incentive does a TennCare patient have to come to the proposed clinic to receive buprenorphine when their medications and transportation services may be paid by TennCare by going to a private provider who prescribes suboxone who is already located in the proposed service area?

Response: None of the 12 opiate treatment programs in Tennessee currently accept TennCare based on a 3/25/2013 telephone survey. The Applicant is not planning on accepting TennCare for the following reasons:

- The investment in personnel and systems, the on-going compliance and audit requirements, and the risk of penalties for non-compliance do not warrant the added revenue
- Based on the Applicant's experience, there are additional risks associated with comingling TennCare patients with self-pay patients (arguments, humiliation, etc.) such that is not worth implementing TennCare

Pertaining to the reasons a patient would chose our facility over a private provider, the Applicant states:

- Most private providers are general family practices and do not have the expertise or focus our program would offer.
- Most private providers do not offer early morning hours that accommodate work, school and family obligations.
- Most private providers do not offer counseling or group meetings in their office, which our program would offer.
- Most private providers do not drug test, implement drug diversion control, test for HIV, TB, etc., which our program would offer.

However, if a private provider provided the services, hours and operation, and expertise listed above, and accepted TennCare, a TennCare patient seeking buprenorphine treatment would have no reason to use our facility.

2. Section A, Applicant Profile, Item 12.

Please clarify if methadone treatment is offered as part of the TennCare benefit package for patients ages 18-20 years of age. The response in the first supplemental response was unclear.

Response: Applicant sources the following quotation from TennCare Quick Guide May 2012, p. 9 and 12.

"Methadone Clinic Services – Not Covered, except for children under age 21. [Rules 1200-13-13-.04, 1200-13-14-.10, 1200-13-14-.04, & 1200-13-14-.10]."

Source: TennCare Quick Guide May 2012, p. 9

(<http://www.tn.gov/tenncare/forms/quickguide.pdf>). This indicates that methadone treatment and buprenorphine is covered for 18-20 year olds.

"Pharmacy Non-Covered Items. The following items are Not Covered, except for children under age 21 or as otherwise noted below..."

"Generic buprenorphine, Subutex (buprenorphine), and Suboxone (buprenorphine/naloxone) in dosage amounts that exceed sixteen milligrams (16 mg) per day for a period of up to six months (which for a pregnant enrollee shall not begin until the enrollee is no longer pregnant), or eight milligrams (8 mg) per day at the end of a six-month period."

Source: TennCare Quick Guide May 2012, p. 12

(<http://www.tn.gov/tenncare/forms/quickguide.pdf>).

The applicant stated in the supplemental response "applicant will provide documentation to allow patients to make claims to TennCare". Please discuss this process.

Response: Applicant placed another call to TennCare Solutions at 1-800-878-3192. The representative confirmed that out-of-network claims may be reimbursable. The process explained to the Applicant was that the TennCare member would call this number, answer some questions from TennCare Solutions, and a reimbursement amount, if any, would be determined. The TennCare member would then be given instructions by TennCare Solutions to submit the claim for reimbursement, subject to review by TennCare Solutions. Applicant will provide a sales receipt for all medication and services to allow patients to submit a claim to TennCare but this will be up to the patient to make any and all claims—if in fact reimbursement is available. Applicant will not

offer any warranty or representation about TennCare coverage as to any item of service or medication. Applicant does not intend to make claims on behalf of any patient to TennCare.

3. Section B, Project Description, Item 1

Public Chapter 363 of the Acts of the 2001 General Assembly Methadone Treatment Facilities created Methadone Service Areas (MSAs) on the assumption the closer one lives to a treatment program, the greater likelihood of participation. The rate of participation is nearly twice as high for those living in or near a county that houses a methadone program (59.0/100,000) than the rate for those that live 60 miles or more from a program (32.2/100,000). Please indicate if all population of the proposed service area lives within 60 miles of the proposed project location. If not, what is the percentage that does?

Response: Applicant estimates that 90% of the proposed service area's population is within 60 miles based on using Google directions and the shortest time driving option. The calculations and assumptions are shown below.

Demographic	Population, 2011 estimate	Estimated % within 60 miles	Population within 60 miles	Comment
Sullivan	157,419	100%	157,419	Entire county is within 60 miles
Washington	124,353	100%	124,353	Entire county is within 60 miles
Greene	69,339	100%	69,339	Entire county is within 60 miles
Hamblen	63,062	58%	36,786	Half of Morristown and areas northeast are less than 60 miles
Carter	57,185	100%	57,185	Entire county is within 60 miles
Hawkins	56,671	98%	55,538	Only the lowest southwest portion of the county is greater than 60 miles
Cocke	35,544	10%	3,554	Small population off of exit 12 on I81 is less than 60 miles
Unicoi	18,280	100%	18,280	Entire county is within 60 miles
Johnson	18,231	100%	18,231	Entire county is within 60 miles
Total for service area	600,084	90%	540,685	

The applicant was requested to contact the Department of Mental Health Methadone Authority, Attention Ira Lacey (615-552-7802) to discuss how the

applicant's plans will interact with the DMHDD Methadone Authority's statewide plan. Did the applicant make contact, and if so, please discuss.

Response: The Applicant talked to Mr. Ira Lacy on March 27, 2013. Mr. Lacy understands our position that the opiate abuse and addiction issues in northeast Tennessee warrant attention, and he confirmed there was no comparable treatment in the proposed service area to the treatment services we are proposing. Mr. Lacy explained the licensing and Central Registry procedures.

Further, Applicant's Managing Member had a substantive meeting on March 25, 2013 with the following representatives from the Tennessee Department of Mental Health and Substance Abuse Services (TDMHSAS): Commissioner Doug Varney, Deputy Commissioner Marie Williams, Director of Licensure Cynthia Tyler, and Director of Legislation Kurt Hippel.

Applicant characterizes the meeting as very positive and potential grounds of agreement were as follows:

- The severe problems of opiate abuse in Tennessee and the proposed service area
- That no opiate treatment programs exist in the proposed service area and many adults drive great distances to get these treatment services in Asheville, Knoxville, Boone, NC and Galax, VA
- Distance is a barrier to treatment
- Applicant's Manager shared his history with proposed treatment services and the vision of TCH to implement these services in the proposed service area.

The scheduled hours of 5:00 AM until noon seven days per week is noted on page 98 of the application. However, on page 109 the Johnson City Zoning Regulations for methadone facilities states "the hours of operation shall be between 7:00 a.m. and 8:00 p.m." Please clarify.

Response: Applicant has requested a zoning variance from Johnson City to accommodate these hours.

Also, the Johnson City Zoning Regulations states, "the facility shall be located on and primary access shall be from an arterial street." How does the applicant intend to address this zoning regulation while the proposed site is located on a cul-de-sac?

Response: Applicant has requested Johnson City grant the Board of Zoning Appeals the authority to grant this arterial road variance. Applicant looked at over 50 sites within the Tri-Cities area and felt that the proposed site best met the needs of the community and patients relative to patient access, traffic, visibility, and distance from schools, daycare, parks.

The types of businesses that surround the proposed methadone project are noted. Are these businesses in support of the proposed project?

Response: There are two other businesses located on Wesley Court, CK Supply and Thomas Construction, both related to construction. Applicant contacted and briefed the landlord/owner of one of the business and this individual voiced no opposition. The landlord of Applicant's proposed property knows the owner/landlord of the other business and has briefed that individual, and this individual has voiced no opposition to date. The Applicant would characterize their responses as neutral.

The size and capacity of the parking lot consisting of 68 spaces is noted. Please clarify if the applicant already owns the space to add 100 parking spaces and street level parking.

Response: The combined parking between 68 on-site which are owned by applicant's landlord can be supplemented at least 12 spaces on the property that can simply have lines painted for standard parking spaces (two on the south side of the building, and ten on the north side. This would make a total of 80 spaces. There are an estimated additional 20 unmarked spaces in front and back of the facility that is on property owned by applicant's landlord. Applicant's ratio of patients to parking spaces after year two would still remain below the ratio of several other existing Tennessee OTPs as shown below.

Tennessee Treatment Program	Patients ¹	Parking spots	Parking spots per patient
Hamilton Co./Volunteer	1963	80	24.5
Davidson Co./Middle Tenn	1789	89	20.1
DRD Knoxville	1063	70	15.2
TCH Johnson City – End of Year 2	1208	80	15.1
Solutions of Savannah	545	46	11.8
TCH Johnson City – End of Year 1	918	80	11.4
DRD Knoxville Central	1035	97	10.7
Jackson Professional Associates	795	102	7.8
Shelby Memphis	741	110	6.7
Shelby Co./ADC	408	75	5.4
Shelby Raleigh	326	60	5.4
Dyer Co.Midsouth	224	50	4.5

What is the timeframe for this project and proposed cost? Is this cost included in the projected data chart?

The Applicant does not feel parking will be an issue, and no costs are reflected in the Projected Data Chart to remedy a parking problem.

4. Section C, Need, Item 1. (Service Specific Criteria-Any)

Please respond to the section labeled "Relationship to Existing Applicable Plans" in *Tennessee's Health: Guidelines for Growth, Criteria and Standards for Certificate of Need, 2000 Edition*: Non- Residential Methadone Treatment Facilities, Criteria and Standards. Please list each criterion separately and provide a response to each criterion separately immediately following the criterion statement, stating how the proposed project will address/relate to each criterion.

On page 20 of the application the applicant estimates the economic savings to the State to be \$765 per patient per month based on studies in the states of Washington and Tennessee. This study appears to only pertain to Medicaid patients. Did the applicant apply this study to all patients? Please clarify, expand and discuss.

¹ Note: 2008 Tennessee Registry Data

Response: Applicant estimates that 30%-50% of patients are Medicaid-eligible based on the populations at other clinics in which Applicant's Manager is a part owner. This would reduce the total cited on Page 20 accordingly. However, in the report "*Prescription Drug Abuse In Tennessee*" conducted by the Tennessee Department of Health, the study states that the State-funded costs of children of parents who are substance abusers entering state custody and juvenile justice State custody total \$57 million annually. This figure includes all substance abuse, not just opiates, but a) opioid have become the #1 abused drug (as measured by treatment admissions) and has also passed alcohol and b) this does not include any State-funded adult medical costs².

The applicant refers to Attachment C1-A, Tennessee Methadone Service Areas" in responding to service area specific criteria on page 22 of the application. The attachment the applicant is referring to is Attachment C.3. Please revise and submit a revised page 22.

Response: Applicant apologizes for the oversight. See Attachment Revised Page 22, with the correct reference.

5. Section C, Economic Feasibility, Item 1 (Project Costs Chart)

The applicant did not resubmit a Project Costs Chart for the revised supplemental submission. Please submit.

Response: Applicant apologizes for the oversight. See Attachment Project Costs Chart, which should go after page 29, and be page numbered 29A

6. Section C, Economic Feasibility, Item 2

A fax under separate cover documenting financial resources is noted. However, for appropriate documentation please provide a letter from a banking institution, Certified Public Account, etc. that demonstrates financial resources and/or reserves to implement the proposed project.

Response: Applicant submits Attachment Revised Financial Resources from the brokerage account under the control of the Applicant's Manager for purposes of financially securing this project.

7. Section C, Economic Feasibility, Item 4 (Projected Data Chart)

There are two Projected Data Charts with two different financial outcomes in Year Two of the proposed project. Please submit the Projected Data Chart (that includes management fee fields) the applicant intends to attach to this proposed project.

Response: Applicant apologizes for placing the previous Projected Data Chart in the document in addition to the revised Projected Data Chart. See Attachment Projected Data Chart for the correct Projected Data Chart. The previous Projected Data Chart (page 36) can be deleted.

8. Orderly Development Item 1

²

http://tn.gov/mental/policy/persec_drug_docs/Prescription%20Drug%20Use%20in%20TN_2%203%202012_R2.pdf

The applicant states, "because of the epidemic levels of prescription medication abuse, Tennessee providers have experienced increases in enrollment." Please provide statistics to back this statement.

Response: *"The Centers for Disease Control and Prevention has classified prescription drug abuse as an epidemic".³* In the Tennessee Department of Health report entitled *"Prescription Drug Abuse In Tennessee"*, on page 14, Tennessee indicates that opioid abuse in Tennessee is materially higher than in the United States, as measured by primary drug abused. Further, the National Survey on Drug Use and Health, 2007-2008 states *"In 2007-2008, Tennessee ranked first among all states for past-year non-medical use of pain relievers among persons age 26 or older."* on page 1.⁴ On page 2, the same report shows a map of the United States and Tennessee is color-coded with the highest percentage of non-medical use of prescription pain relievers. The Applicant contends that if the CDC indicates the problem is an epidemic in the United States, and if Tennessee ranks first among all states in abuse, it is an epidemic in Tennessee.

9. Section C, Orderly Development, Item 6.B

The applicant's methadone fee of \$10.00 per day appears to be considerably less than other surveyed clinics amounts of \$11-\$13, \$16.14 and \$25.00. Please clarify.

Response: This information is correct. Applicant sees tremendous benefit to lowering the barriers to treatment, and cost is a major factor. The Applicant's intent is to offer this rate for a time of 6 months to two years, depending on patient census. In the Applicant's Manager's other clinics in which he owns a partial interest, these clinics had tremendous results "getting the word out" and breaking down barrier to treatment by offering treatment for \$1 per day for periods of six months to over a year.

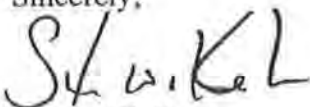
10. Notification Requirements

Please provide a copy of each signed certified mail delivery green card that was sent to public officials in accordance to Tennessee Code Annotated 68-11-1607(c)(3).

Response: The letters to all required persons were sent on or about March 5, 2013 and shown on page 131. The letters were received as shown in the electronic receipt provided on page 136 with tracking numbers. Applicant's attorney used LaserSubstrates, a web-based service to print and track certified letters (<https://www.printcertifiedmail.com>). The Green Cards have not been returned by the Postal Service yet.

Also included is our signed Affidavit.

Sincerely,



Steven W. Kester
Managing Member
Tri Cities Holdings, LLC

³ Direct quote from: <http://www.whitehouse.gov/ondcp/prescription-drug-abuse>

⁴ http://www.whitehouse.gov/sites/default/files/docs/state_profile_-_tennessee.pdf

AFFIDAVIT

2013 MAR 28 AM 9:02

STATE OF GEORGIA

COUNTY OF GWINNETT

NAME OF FACILITY: TRI CITIES HOLDINGS LLC

I, STEVEN W. KESTER, after first being duly sworn, state under oath that I am the applicant named in this Certificate of Need application or the lawful agent thereof, that I have reviewed all of the supplemental information submitted herewith, and that it is true, accurate, and complete.

St. W. Kester
Signature/Title

Sworn to and subscribed before me, a Notary Public, this the 27 day of March, 2013, witness my hand at office in the County of Gwinnett, State of Georgia.

Jake Matson
NOTARY PUBLIC

My commission expires Jan. 4, 2016.

HF-0043

Revised 7/02



**Response to
Public Chapter 363
of the
Acts of the 2001 General Assembly**

Methadone Treatment Facilities

Report prepared by

**Tennessee Department of Health
in Consultation with the
Methadone Task Force,
Health Care Facilities Commission and
Board for Licensing Health Care Facilities**

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(Note: Exhibits are not available for downloading.)	

SCOPE OF REPORT

Due to the increased attention in the placement of methadone treatment facilities and the need for these facilities, the General Assembly charged the Commissioner of Health to conduct a study of methadone treatment facilities and report back to the House Health and Human Resources Committee and the Senate General Welfare, Health and Human Resources Committee on or before January 1, 2002.

Public Chapter 363 of the Acts of the 2001 General Assembly directs the Commissioner of Health to study issues relating to the need for and location of non-residential treatment facilities in the Certificate of Need process in consultation with the Health Facilities Commission and the Board for Licensing Health Care Facilities.

This report will contain reviews conducted of current federal and state regulations of methadone treatment facilities, state oversight of Tennessee facilities, literature on national concerns, regulations from other states, and reports from the Tennessee Board of Pharmacy.

To the extent possible, recommendations will be based on a thorough review of all data, nationally accepted facts, and practice standards of methadone facilities.

This report includes recommendations to current regulations utilized by state survey agencies and *Guidelines for Growth* used by the Health Facilities Commission in making decisions about need.

REPORT PROCESS

This study was conducted in monthly meetings with committee members being appointed by the Commissioner of Health. Monthly meetings were conducted on September 27, 2001, October 23, 2001, November 13, 2001, and December 18, 2001. A membership list is attached in the exhibits.

Task force members and Health Facilities Commission members were given an opportunity to review the draft report in order to make comments and suggestions prior to finalizing the report.

Some members expressed concerns about the proposed rule changes dealing with:

- 1) Observed testing and
- 2) Diversion Control Plan

These comments are attached in exhibits. (Note: Exhibits are not available for downloading.)

BACKGROUND

National Concerns

The November 1997 *National Institutes of Health Consensus Statement, Effective Medical Treatment of Opiate Addiction* estimated that only 115,000 of the total 600,000 estimated opiate-dependent persons in the U.S. were in methadone maintenance treatment (MMT) programs. The Consensus Statement reported that, "MMT is effective in reducing illicit opiate drug use, in reducing crime, in enhancing social productivity, and in reducing the spread of viral diseases such as AIDS and hepatitis." Although a totally drug-free state would be preferable, most opiate-dependent persons, according to research, cannot achieve and maintain this worthy target. MMT, as a substitute for a drug-free state, does reduce drug use, decrease criminal activity, provide an opportunity for employment and significantly improve quality of life for patients.

Opiate use has clear and well-defined health, employment and criminal consequences according to the Consensus Statement. The total financial costs of untreated opiate dependence to the individual, family and society was estimated at \$20 billion by the NIH in its Consensus Statement. Numerous studies throughout the world have demonstrated that participation in MMT leads to significant reductions of illegal opiate use as well as other illicit drugs.

The mortality rate for opiate-dependent persons in methadone treatment programs is 30% of the mortality rate for those not participating in treatment. Persons who are not participating in MMT have higher incidence rates of bacterial infections, tuberculosis, hepatitis B and C, AIDS and other sexually transmitted diseases and alcohol abuse. Health care costs alone were estimated in the 1997 Consensus Statement to amount to \$1.2 billion for opiate dependence.

Opiate use has an adverse impact upon employment and an individual's contribution to society. Since users spend an inordinate amount of time in finding and taking the drug, maintaining employment is often difficult. Many users look to public assistance to support themselves and their families. Studies have demonstrated, however, that MMT patients earn incomes that are double those of opiate users not in treatment.

Opiate use often leads users to criminal behavior. Stealing is the most common offense. The Consensus Statement reports that more than 95% of opiate users reported committing crimes in span of an 11-year period when they were using opiates. Numerous studies have demonstrated that "effective treatment of opiate dependence markedly reduces the rates of criminal activity."

Many persons associate dependency solely on heroin use. Too often, legally prescribed controlled substances, including opiates such as hydrocodone and morphine, are diverted for illegal use. In fact, the February 2001 edition of the *Psychiatric Times* reported that a national Substance Abuse and Mental Health Services Administration (SAMHSA) survey indicated that approximately 3.9 million Americans currently use prescription-type psychotherapeutic drugs for nonmedical reasons, almost twice as many as the 2.1 million who use heroin, cocaine and/or crack cocaine.

The NIH Consensus Statement addresses many of the misconceptions and stigmas associated with opiate dependence and methadone treatment programs. NIH urges that “vigorous and effective leadership is needed to inform the public that dependence is a **medical disorder** (emphasis added) that can be effectively treated with significant benefits for the patient and society.”

Tennessee Problems

No public health data exist which accurately depicts the extent or severity of opiate addiction in Tennessee. Extrapolating the NIH estimates to Tennessee provides as reasonable an approach as any, resulting in estimates that 12,000 or more Tennesseans are opiate dependent. In December 2001, less than 3,000 persons were actively participating in non-residential treatment programs in the state which represents only a fraction of the state’s estimated opiate users.

Generally, the closer one lives to a treatment program, the greater likelihood of participation. The current rate of participation is nearly twice as high for persons living in or close to one of the five counties (Shelby, Davidson, Knox, Hamilton and Madison) that house programs, 59.0/100,000 than the rate for those that live 60 miles or more from a program, 32.2/100,000.

The relatively few number of programs in the state that are available to opiate-dependent persons also contributes to low participation rates. Although the number of programs in other Southeastern states varies widely, Tennessee’s six programs yields a rate of just 1.1 programs/one million population, less than one-half the 2.4/one million rate of the other states.

As is true around the country, substance abuse probably cannot be attributed solely to illegal substances in this state. Although Tennessee does not maintain a system for capturing data on the number of prescriptions filled, vendors in Tennessee cite the state as one of the top five in the country for purchase of Hydrocodone, Cocaine and Meperidine, all controlled substances that are easily diverted for illegal use.

Tennessee Regulatory Oversight

Tennessee Code Annotated requires that a vendor wanting to open a methadone treatment program must first receive a Certificate of Need from the Tennessee Health Facilities Commission and then be licensed by the Department of Health as a non-residential methadone treatment facility. Unfortunately, the *Guidelines for Growth* that have been developed do not provide concrete, objective criteria that can be used to adequately determine the appropriateness of awarding a Certificate of Need.

The regulatory oversight of Methadone Treatment Facilities began in 1988 by the Tennessee Department of Mental Health. In March, 1994 that oversight was transferred to the Department of Health, Health Care Facilities. Rules and regulation were amended by the Department in August, 1999 with encouragement and support of the General Assembly.

Currently there are 6 clinics operating in Tennessee in the following counties: Shelby, Davidson, Knox, Hamilton and Madison. Each clinic is surveyed annually and as necessary when complaints are filed.

For the past 2 years an average of 2 deficiencies have been sited per survey and consist of:

- No Individual Treatment Record
- Client history and treatment plans not reviewed every 90 days
- No documentation of staff training for STD/HIV Training
- Admission screening test not done – TB test, and pregnancy test for females
- No annual justification for continued treatment
- No evidence of annual physical
- Urine drug screens not conducted on new clients
- No physician's signature on medication order changes

There have been 3 complaints filed in the past two years.